IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE OF THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum (the "**Offering Memorandum**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time each time you receive any information from the Issuer as a result of such access. You acknowledge that this electronic transmission and the delivery of this Offering Memorandum is confidential and intended only for you and you agree that you will not forward, reproduce, copy, download or publish this electronic transmission or this Offering Memorandum (electronically or otherwise) to any other person.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point (e) of Article 2 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**2017 Prospectus Regulation**"). In addition, the Bonds provide for debt obligations of the Issuer and the Guarantors with no exposure by investors to reference values or assets other than the assets and business operations of the Issuer and the Guarantors. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In addition, in the United Kingdom (UK), this Offering Memorandum is being distributed only to, and is directed only at: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); or Qualified Investors who fall within Article 49(2)(a) to (d) of the Order, and (ii) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**").

This Offering Memorandum must not be acted on or relied on (i) in the UK, by persons who are not Relevant Persons, and (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors or persons to whom it may otherwise lawfully be communicated. Any investment or investment activity to which this Offering Memorandum relates is available only to (i) in the UK, Relevant Persons, and (ii) in any member states of the EEA other than the UK, Qualified Investors or persons to whom it may otherwise lawfully be communicated, and will be engaged in only with such persons.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION, NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING DOCUMENT 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 UNITED STATES ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS

TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities described herein, investors must be outside of the United States. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented the Issuer that (1) you and any customers you represent are outside of the United States and not a U.S. Person (as defined in the Regulation S under the Securities Act) and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

Mifid II Product Governance. Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

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. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Memorandum 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, the Issuer or any person who controls any of it, nor any director, officer, employee nor agent of the Issuer (the "**Agents**") of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Agents.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Memorandum

IuteCredit Finance S.à r.l.

Luxembourg

EUR 40,000,000

13 % Senior Secured Bonds 2019/2023 (the "Bonds")

with a Term from 7 August 2019 until 7 August 2023

of 1 August 2019

International Securities Identification Number (ISIN): XS2033386603

Common Code: 203338660

IuteCredit Finance S.à r.l. (the "**Issuer**"), a private limited liability company (*société à responsabilité limitée*), incorporated and existing under laws of the Grand Duchy of Luxembourg, having its registered office at 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 234678 will issue 13% senior secured bonds due 2023 for an initial aggregate principal amount of EUR 40,000,000 (the "**Bonds**"). The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer. The Bonds will at all times rank *pari passu* in right of payment with all other present and future secured obligations of the Issuer and senior to all its existing and future subordinated debt. The Bonds are unconditionally and irrevocably guaranteed on a joint and several basis by AS IuteCredit Europe ("**Holdco**"), the Issuer's parent company registered in Estonia, and by certain other direct and indirect subsidiaries of Holdco (the "**Subsidiary Guarantors**" and together with Holdco the "**Guarantors**" and each a "**Guarantor**" under the terms and conditions set forth herein (collectively the "**Guarantees**" and each a "**Guarantee**"). The Bonds are further secured by the Transaction Security (as defined below) granted by Holdco and certain other direct and indirect subsidiaries of Holdco, including the Issuer (the "**Pledgors**", the Promissory Note Provider and, together with the Guarantors, the "**Security Providers**").

The proceeds from the offering of the Bonds will be used by the Issuer for general business purposes, including financing of growth in current and future markets as well as potential acquisitions. The Issuer will lend the proceeds of the Bonds to Holdco and/or the companies of the Group (as defined below) as required. The obligations of Holdco and/or the Group

companies under the loans provided by the Issuer are guaranteed by the Guarantors and secured by the Transaction Security granted by the Security Providers under the Transaction Security Documents. The Issuer is dependent upon payments it receives from Holdco and/or the Group companies to make payments under the Bonds. The Issuer will apply all payments it receives under loans granted to Holdco and/or the Group companies, including in respect of principal, premiums, interest and any additional amounts following certain tax events, to make corresponding payments under the Bonds.

This Offering Memorandum is for distribution to professional investors only. There is currently no public market for the Bonds.

Application will be made to the Frankfurt Stock Exchange for the Bonds to be included to trading at the Open Market (Quotation Board) or another comparable trading segment within the EU upon Settlement Date (as defined below).

Investors should be aware, that an investment in the Bonds involves a risk and that, if certain risks, in particular those described under "*Risk Factors*", occur, the investors may lose all or a very substantial part of their investment.

Bonds may only be issued/offered if these meet the relevant legal requirements. The distribution of this Offering Memorandum and the offer which is outlined in this Offering Memorandum may be limited by certain legislation. Any person who enters into possession of this Offering Memorandum must take these limitations into consideration. The Bonds are not and will not be registered, particularly in accordance with the United States Securities Act of 1933, as amended (the "**Securities Act**") or in accordance with securities law of individual states of the United States of America. Furthermore, they are not permitted to be offered or sold within the United States of America, or for the account or benefit of a person from the United States of America (as defined under Regulation S under the Securities Act), unless this ensues through an exemption of the registration requirements of the Securities Act or the laws of individual states of the United States of America or through a transaction, which is not subject to the aforementioned provisions.

TABLE OF CONTENTS

I. NOTICE TO INVESTORS

You should rely only on the information contained in this Offering Memorandum. Neither the Issuer nor the Guarantors (as defined herein) have authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

Neither the Issuer nor the Guarantors are making an offer of the Bonds in any jurisdiction where the Offering is not permitted.

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

REFERENCES

Unless the context otherwise requires, references to "**we**," "**our**," "**us**," "**Iute**", "**IuteCredit** "or the "**Group**" refer to Holdco and its direct and indirect subsidiaries. Unless the context otherwise requires, references to the "**Issuer**" refer to IuteCredit Finance S.à r.l.

Unless otherwise defined, capitalized terms used in this Offering Memorandum have the same meaning as defined in the terms and conditions governing the Bonds (the "**Terms and Conditions**").

Information posted on our website and those of our affiliates and subsidiaries do not constitute a part of this Offering Memorandum.

NOTICE TO PROSPECTIVE INVESTORS

This Offering Memorandum is intended solely for the purpose of soliciting indications of interest in the Bonds from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in the Terms and Conditions and other transaction documents described herein. None of KNG Securities LLP (UK) (the "**Lead Manager**"), Gottex Brokers SA (the "**Co-Manager**" and, with the Lead Manager, the "**Managers**"), Adamant Capital Partners AD, AS Redgate Capital, AS BlueOrange Bank and Bankhaus Scheich Wertpapierspezialist AG (the "**Regional Sales Agents**"), or any of their directors, affiliates, advisers or agents has independently verified the information contained in this Offering Memorandum in connection with the issue or offering of the Bonds and no representation or warranty, express or implied, is made by the Managers, the Regional Sales Agent or any of their directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Offering Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by us or the Managers or the Regional Sales Agents or any of our or their respective directors, affiliates, advisers or agents in any respect. BPER Bank Luxembourg SA (the "**Paying Agent**") assumes no undertaking as to the economical and financial soundness of the information contained herein and the quality or solvency of the Issuer. The Paying Agent makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum.

The contents of this Offering Memorandum are not, are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

Prospective investors hereby acknowledge that (i) they have not relied on the Managers, the Regional Sales Agents or any person affiliated with the Managers or the Regional Sales Agents in connection with any investigation of the accuracy of the information in this Offering Memorandum or their investment decision, and (ii) no person has been authorized to give any information or to make any representation concerning us, the Bonds or the Guarantees (other than as contained herein and information given by our duly authorized officers and employees, as applicable, in connection with investors' examination of us, and the terms of this Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Managers or the Regional Sales Agents. This Offering Memorandum must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein.

This Offering Memorandum is personal to the prospective investor to whom it has been delivered by the Managers or the Regional Sales Agents and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Bonds. Distribution of this Offering Memorandum to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto is unauthorized, and any disclosure of its contents without our prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and agrees not to make any copies of this Offering Memorandum.

The Bonds described in this Offering Memorandum have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "**SEC**") or any other securities commission or regulatory authority, nor has the SEC or any other securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States. The Bonds have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Bonds may not be offered or sold within the United States, or to, or for the account of U.S. Persons except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities described herein, investors must be outside of the United States. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented the Issuer that (1) you and any customers you represent are outside of the United States and not a U.S. Person (as defined in the Regulation S under the Securities Act) and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are not to construe the contents of this Offering Memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Bonds. We are not making

any representation to you regarding the legality of an investment in the Bonds by you under applicable investment or similar laws.

No person is authorized in connection with the Offering to give any information or to make any representation not contained in this Offering Memorandum, and, if given or made, any other information or representation must not be relied upon as having been authorized by us. The information contained in this Offering Memorandum is as of the date hereof and subject to change, completion or amendment without notice. The delivery of this Offering Memorandum at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the information set forth in this Offering Memorandum or in our affairs since the date of this Offering Memorandum. We undertake no obligation to update this Offering Memorandum or any information contained in it, whether as a result of new information, future events or otherwise, save as required by law.

This Offering Memorandum is being provided for informational use solely in connection with the consideration of a purchase of the Bonds (i) to QIBs and (ii) to qualified purchasers in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorized.

We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything that is likely to affect the import of such information. The information contained in this Offering Memorandum has been furnished by us and other sources we believe to be reliable. Nothing contained in this Offering Memorandum is or shall be relied upon as a promise or representation, whether as to the past or the future. This Offering Memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available to you upon request, for the complete information contained in those documents. All summaries herein are qualified in their entirety by this reference.

We reserve the right to withdraw this Offering at any time, and we reserve the right to reject any commitment to subscribe for the Bonds in whole or in part and to allot to any prospective purchaser less than the full amount of Bonds sought by such purchaser.

The distribution of this Offering Memorandum and the offer and sale of the Bonds may be restricted by law in some jurisdictions. This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Bonds in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Persons into whose possession this Offering Memorandum comes must inform themselves about and observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Bonds and distribution of this Offering Memorandum, see "*Notice to Certain European Investors*" and "*Transfer Restrictions*." We are not making any representation to any offeree or purchaser under any applicable law.

The information set out in relation to sections of this offering memorandum describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of the applicable clearing systems as currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream and their participants, we accept no further responsibility in respect of such information.

We will not, nor will any of our respective agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any jurisdiction where it is unlawful to do so. The securities have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and the securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction, not subject to, the registration requirements of the securities act and applicable state or local securities laws.

The following document 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 United States address. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorized. Failure to comply with this directive may result in a violation of the securities act or the applicable laws of other jurisdictions. If you have gained access to this transmission contrary to any of the foregoing restrictions, you are not authorized and will not be able to purchase any of the securities described therein.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

Neither this Offering Memorandum nor any other offering or marketing material relating to the Offering, the Issuer, Holdco or the Bonds have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Memorandum will not be filed with, and the offer of Bonds will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and the offer of Bonds has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Bonds.

NOTICE TO PROSPECTIVE INVESTORS IN OTHER JURISDICTIONS

The distribution of this Offering Memorandum and the offer and sale or resale of the Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Memorandum (or any part hereof) comes are required by us to inform themselves about, and to observe, any such restrictions.

MIFID II PRODUCT GOVERNANCE

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by

either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point (e) of Article 2 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**2017 Prospectus Regulation**"). In addition, the Bonds provide for debt obligations of the Issuer and the Guarantors with no exposure by investors to reference values or assets other than the assets and business operations of the Issuer and the Guarantors. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

AVAILABLE INFORMATION

Each purchaser of the Bonds will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein; and

(2) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Bonds offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE BONDS.

II. SUMMARY

The following overview should be read as an introduction to the more detailed information appearing elsewhere in this Offering Memorandum, including our consolidated financial statements. The financial information set forth herein has, unless otherwise indicated, been taken from our consolidated financial statements incorporated by reference in this Offering Memorandum. Any decision by a prospective investor to invest in the Bonds should be based on consideration of the Offering Memorandum as a whole, including the information discussed in "General Information – Forward-Looking Statements" and "Risk Factors" and not solely on this summarized information.

Overview of the Group

Iute is a leading consumer loans provider established in 2008 and based in Tallinn (Estonia). It operates in Europe and the Balkan Peninsula. The financial product offering of Iute consist of: shop loans (point of sales), cash loans (instalment loans), car loans and credit cards. Our potential lies in a broad targeted customer base with demand for low - to mid-value consumer goods including cars. Our business model is built around high demand for personal finance solutions in under-banked markets with high GDP growth and low public/private debt.

AS IuteCredit Europe ("**Holdco**" or "**ICE**") is a company specialized in consumer credits via its 100% subsidiaries using equity and loan capital. As of the date of this Offering Memorandum, ICE has nine subsidiaries: IuteCredit Finance S.à r.l. in Luxembourg, O.C.N. "IUTE CREDIT" S.R.L. ("**ICM**") in Moldova, IuteCredit Albania SHA ("**ICA**") and IutePay Albania SH.P.K. ("**IPA**") in Albania, IuteCredit Kosovo J.S.C ("**ICK**") in Kosovo, IuteCredit Macedonia DOOEL–Skopje ("**ICNM**") in North Macedonia, IutePay Bulgaria EOOD ("**IPB**") and IuteCredit Bulgaria EOOD ("**ICB**") in Bulgaria and MKD IuteCredit BH d.o.o. Sarajevo ("**ICBH**") in Bosnia Herzegovina. ICE, ICM, ICA, IPA, ICK, ICNM, IPB, ICB and ICBH together form the "**Group**" or "**IC**".

ICM, ICA, IPA, ICK, ICNM, IPB, ICB and ICBH are hereinafter referred to as "**Subsidiaries**."

IuteCredit currently operates in the above mentioned countries through 19 branches, 720 + post offices and with more than 2,000 point of sales (retailers).

In the third semester of the year 2018, ICE raised EUR 3.2 million as equity capital. Shares of ICE were issued to the current shareholders as well as to new investors and management teams. Since its inception, IuteCredit has issued bonds for more than EUR 14 million.

IuteCredit is a profitable company since the beginning of its operation in 2008. It recognizes that the timeframe is short and it continues its efforts to build a long-term uninterrupted history of profitable growth.

The goal of IuteCredit is to create the extraordinary customer experience in personal finance by exceeding customers' expectations. We provide lending products to customer not served by the traditional banking system.

As of 31 December 2018, 300 people including the management and IT team were able to serve 150,000 active loan customers and work with pool of more than 300,000 customers, by doing more than 200,000 manual work operations (customer contacts, inquiries and checks) per month. Its work process is highly automatized, to allow people do what the humans are best at: customer interaction. IuteCredit itself compares its internal work

processes in originating and maintaining the loans to work processes of a modern car manufacturer.

Key Strengths

Sustainability and simplicity

Iute focuses on providing comfortable and secure lending to its customers. The products offered are designed to serve the needs and requirements of customers through detailed and safe creditworthiness check via public databases (government institution databases, debt collection agencies, bank statement providers, Central Bank registries, and many others). Our process and procedures are based on simplicity and effectiveness. The average approval time for a loan application is usually 10 minutes with a minimum effort for a customer. Once approved and in the database, the process becomes even simpler and waiting time decreases. Offering immediate loan application and being the fastest and the most comfortable is what separates us from our competitors.

The proven effectiveness and strong experience gained in lending into unbanked and underbanked markets allows us to expand fast and apply best practices from existing into the new markets.

Transparent products

The loans we offer have a term from 1 to 60 months and the amount offered varies depending on the income, the monthly payment requirements and the reliability of the customer. This implies that a customer can choose the amount needed, select the minimum monthly payment and choose the payment dates.

All of our products are available to our customers through online and offline channels such as branches network, website and call center. Regardless of the medium and their convenience, our products and way of work allows a customer to have a clear insight into terms and conditions, privacy policies, pricing, and repayment model, as well as regards any additional concern or question they may have and is related to rules and procedures, product specification and how the lending in general works.

Being always present and everywhere

We are available 24/7, either online, by mobile phone or in one of our offices during open hours. We strive to offer automated approval processes to our customers and expand our presence through partner/dealership network and cover as much territory as possible. Wherever our branch is not present we have our partners covering our customer needs for smooth and fast application processing. We tend to be available 24/7. But if 24/7 is limited because of some of our partners (banks, shops, etc), then we process the application on the next working day. Partnership/dealer network is of high importance to us and cherishing this relationship brings an additional value to our customers. Through our network, we also offer specific type of loans for specific purchases such as electronics, used cars, house repair materials, furniture and different consumer services. By constantly improving our internal systems and making them aligned with local regulations we try to make the process more and more automatized. As of the end of 2018, in 4 countries total – Albania, Kosovo, Moldova and North Macedonia, we had a network consisting of 19 branches, 720 + post office locations, and 2056 partner shops. We constantly try to onboard new partners and expand our network in order to offer and expand our services to as much customers as possible.

Physical presence as of 31 December 2018				
Physical Presence	**Country**	**Branches**	**Post offices**	**Partner shops**
IuteCredit SRL	Moldova	7	550	962
IuteCredit Albania SH.A	Albania	6	53	650
IuteCredit Macedonia DOOEL	North Macedonia	2	N/A	394
IuteCredit Kosovo JSC	Kosovo	4	120	50

Experience for better competitiveness

IuteCredit Group and the local team members come from different industries, mostly banking, finance and sales. The wealth of their background, experience and profiles enables us to think creatively and move forward by utilizing the best practices and know how's with the positive output by enabling us to be even more competitive in the market.

As a Group, we aim to serve millions of customers and that means constant strive to attract the best talent, implement the best technology, develop the best organization and bring the best out in each team member. Money is the outcome of right actions, but at foremost we as a team enjoy ourselves in pursuing the right actions and overcoming the challenges.

Trust leads to success

Customers are our focus. Our work and products are designed around the customers' needs. We are constantly improving, becoming faster and more reliable for our customers, partners and employees. With personalized approach, custom made products, valuing employees, contributing to the community, we tend to make a difference and create a positive impact in the society where we operate. We are trusted by more than 350,000 customers over the years. The amount of trust and good work that we do, is shown through a recent research conducted in the beginning of 2019, where we asked general population in countries of operations questions related to our visibility, trust, awareness, and creativity. We have also gained an insight how we rank with competition as well. Results obtained during this research show that the work we are doing and services we are providing are making significance to our customers.

In Moldova, where we operate for 10 years and in a highly competitive market, results show that awareness of the Iute brand is 84.6% of the interviewed people; in Kosovo (2 years of operations), brand awareness is 52%; Albania (5 years of operations), result is 37.4%, and in North Macedonia (3 years of operations), total brand awareness result is 29.8%.

Sample of interviewed people has been conducted between 0.02%-0.05% of the total population in cities where we have our branches and established presence. Randomly selected people for the research purposes were taken out from all demographic segments, without necessarily being customers of IuteCredit.

Customer Performance Index ("**CPI**") is a unique index developed by IuteCredit. CPI measures customers' actual duly repayments against the expected repayments according to the original repayment schedules of loan agreements within a tolerance period for repayment delays (technical delay), which is normally 30 days ("**CPI 30**"). It is a cashflow- and reality-centric indicator that avoids evergreening illusions or illusions that may arise from inadequate provisioning. CPI 30 is normally a so called "technical delay". CPI 50+ (DPD 50+) is recognized by IuteCredit as NPLs. For cash loans, IuteCredit reached a CPI 30 ratio of

84.9%. For dealer loans and car loans, IuteCredit had a CPI 30 performance of more than 90%. Car loans (secured) are still very fresh products and further improvement is expected. IuteCredit reached their CPI 30 target set for 2018 (> 88%) on the Group level. That means, during 2018, more than 88% of expected loan repayments were performed according to the loan agreements, or within a maximum 30 days delay. The CPI 30 targets for 2019 will remain to be 88%, with a significant increase of the net loan portfolio.

Strategy

IuteCredit´s strategy is to become the leading customer centric lending company that focuses on providing loans and credit to people in need of obtaining funds in a fast and comfortable way by using different channels, partners and providers for application processing and pay out of funds. Our main concentration of customers currently lies in Eastern and South Eastern European countries such as Moldova, Albania, North Macedonia, Kosovo, and Bosnia Herzegovina, with the credit card and IT support in Bulgaria through IutePay that is solely responsible for technical functioning, implementation and support in systems and processes of the whole Group.

The future of personal finance will be based on installments. That is, subscription and pay-as-you-go based economy will expand along with development of technology and regulatory frameworks. In history, the humankind has moved from long-term and big subscription based deals, such as mortgage, into smaller units, such as car leasing, and we see further movement towards smaller: to the effect where it is common to split the regular monthly income fully between various subscriptions. Some of those subscriptions can be credit repayments. The goal is to make subscriptions very easy, seamless part of everyday life and everyday consumption.

ICE is responsible for the strategic management of the Group including:

- Strategic targeting;
- organizational structure and manning of management teams;
- human resource and customer experience framework rules and targeting guidance;
- financial management framework rules and targeting guidance;
- sales and marketing framework rules and targeting guidance;
- service process design and technological development;
- risk management, including loan products approval and general compliance framework;
- data harvesting;
- the Group's financing and investor relations.

The Subsidiaries offer customers the services and develop the business on the local competition field according to strategic guidance, framework rules, finance and technology provided by the ICE. The Subsidiaries own local teams, local customer pools, local loan portfolios and develop local investor relations and relations with regulatory authorities and partners.

ICM is in operation since August 2008, ICA since April 2015, ICNM since September 2017 and ICK since October 2017. IPB performs as technology operations cost center and cards service center.

We as a Group are actively seeking new markets where to offer our services and we are constantly looking for ways how to be closer to our customers.

IuteCredit's mission is to offer the best experience to its customers in the field of personal finance. The customer's daily needs are met in an easy and seamless way. Further, the provided services are also fast and comfortable. IuteCredit also believes in human interaction. Robots and Fintech are helpful; however they are not the exclusive answer to the finance questions and issues that may be encountered by the customers. Besides the assistance of technologies, there is a necessity for human interaction to properly address the customer's needs: Nothing replaces the sincere human smile and attention.

HISTORY

IuteCredit was founded in 2008 by a group of individuals for the purpose of, among others, providing flexible and convenient consumer financial services to customers.

IuteCredit initiated operations in Moldova, Albania, North Macedonia and Kosovo, and from 2018, it initiated additional operations in Bulgaria and Bosnia and Herzegovina through the establishment of new start-up entities. See *"—Group Structure—Legal Structure*" below.

Recent Events and Trends

IuteCredit's business has grown substantially in the recent years, and it continues to monitor business development opportunities in new and upcoming countries as well as in existing markets. While IuteCredit has grown organically, it aims to leverage its existing expertise and business model into expanding into countries which have an attractive potential for the services it is offering and where there is a need of the customers to implement its business model. IuteCredit recently opened Bosnian market and in the near future it is aiming to expand its presence in Bulgaria as well.

At the moment, IuteCredit operates in five countries through 35 branches, over 720 post offices and with more than 2,000 point of sales (retailers) and these numbers are growing every day. As by the end of 2018, it reached more than 150,000 active loan customers and it was trusted by more than 480,000 customers.

To diversify its operations and the offer of products to clients, IuteCredit is currently analyzing the possibility to acquire a bank or a regulated financial institution to be able to provide credit card services to its customers. However, this is an open process which is depending on various factors, such as the positive outcome of due diligence processes.

Risk Factors

An investment in the Bonds involves a high degree of risk. For a detailed discussion of the risks and other factors to be considered when making an investment with respect to the Bonds see "*Risk Factors*" and "*General Information – Forward Looking Statements*". Prospective investors in the Bonds should carefully consider the risks and other information contained in this Offering Memorandum prior to making any investment decision with respect to the Bonds.

III. OVERVIEW OF THE OFFERING

Issuer:	IuteCredit Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*), a Luxembourg based company incorporated under the laws of Luxembourg, having its registered address at 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B234678.
Guarantors:	The obligations of the Issuer under the Bonds will be guaranteed on a senior secured basis by IuteCredit Europe AS (Estonia), the holding company of the group ("**Holdco**" or "**ICE**"), O.C.N. OM "IUTE CREDIT" S.R.L. (Moldova) ("**ICM**"), IuteCredit Albania SH.A (Albania) ("**ICA**"); IuteCredit Kosovo J.S.C (Kosovo) ("**ICK**"), IutePay Bulgaria EOOD (Bulgaria) ("**IPB**"), MKD IuteCredit BH d.o.o. Sarajevo (Bosnia Herzegovina) ("**ICBH**"), IuteCredit Bulgaria EOOD (Bulgaria) ("**ICB**") and IutePay Albania SH.P.K. (Albania) ("**IPA**"). Group companies will have to accede to the Guarantee as additional Guarantors within three months after becoming operative.
Pledgors:	The obligations of the Issuer under the Bonds will be secured by pledges over the Pledged Assets (as defined below) granted by the Issuer, Holdco, ICM, ICA, ICK and ICNM. Group companies will have to become Pledgors under the relevant Transaction Security Documents (as defined below) within three months after becoming Material Group Companies.
Material Group Companies:	Group companies with a Net Loan Portfolio of at least EUR 5,000,000.00.
Securities offered:	Euro denominated senior secured bonds (the "**Bonds**").
Form:	Bearer bonds represented by a permanent Global Bond.
Currency:	EUR
Issue Size:	EUR 40,000,000
Coupon Rate:	13%
Coupon type:	Fixed
Issue Price:	100% of the aggregate nominal amount of the Bonds (the "**Nominal Amount**")
Launch Date:	22 July 2019
Issue Date:	7 August 2019
Maturity Date:	7 August 2023
Interest Payment Date:	Interest will be payable semi-annually on 7 February and 7 August of each year, commencing on 7 February 2020. Interest will accrue from the Issue Date.
Day count fraction:	Act/Act (ICMA)

Denomination of the Bonds	EUR 1,000.00
Minimum Subscription Volume:	EUR 100,000.00
Target Market:	MiFID II professionals/ECPs only/No PRIIPs KID – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional investors only (all distribution channels). No PRIIPs key information document (KID) has been prepared as Bonds are not available to retail in EEA.
Status of the Bonds, Guarantees Pledges and the Promissory Note:	The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer. The Bonds will at all times rank *pari passu* in right of payment with all other present and future senior unsecured obligations of the Issuer and senior to all its existing and future subordinated debt. The Bonds are guaranteed on a senior secured basis by the Guarantors. Each Guarantee is subject to certain limitations under the laws of the relevant Guarantor's jurisdiction of organization. In addition to the Guarantees, the Pledgors will grant the following pledges pursuant to local law governed pledge agreements (the "**Pledge Agreements**"): • pledge over present and future loan receivables towards their customers; • pledge over all the shares held by Holdco in the Issuer; • pledge over any intragroup loan granted by the Issuer to Holdco or other group companies with the proceeds from the issue of the Bonds; • pledge over any intragroup loan granted by Holdco to group companies with the proceeds from the issue of the Bonds; and • pledge over bank accounts of the Pledgors (subject to feasibility under local law). (the "**Pledges**" and the assets pledged therein the "**Pledged Assets**"). In addition to the Guarantees and the Pledges, IuteCredit Macedonia DOOEL Skopje (North Macedonia) ("**ICNM**") (the "**Promissory Note Provider**") will grant a promissory note (the "**Promissory Note**") in the form of a notarial deed, which in case of default it will enable enforcement against all assets of ICNM, including funds on bank accounts, movable assets, real estate, shares in other companies, receivables and other proprietary rights (together with the Guarantees and the Pledge Agreements the "**Transaction Security Documents**"). (the Pledged Assets together with the assets secured under the

	Promissory Note, the "**Collateral**"). The Guarantees, the Pledges, the Collateral and the Promissory Note will rank (i) *pari passu* with all of the Guarantors', Pledgors' and the Promissory Note Provider's existing and future senior secured debt with respect to the Collateral, (ii) *pari passu* with all unsecured debt with respect to assets of the Guarantors, the Pledgors and the Promissory Note Provider other than the Collateral, and (iii) senior to all of the Guarantors', Pledgors' and the Promissory Note Provider's existing or future subordinated debt. Each Guarantee, Pledge and the Promissory Note is subject to certain limitations under the laws of the relevant Guarantor's / Pledgor's / the Promissory Note Provider's jurisdiction of organization. Enforceability of the Pledges: Market standard, i.e., upon an event of default which is continuing the Security Agent will enforce the Pledges on behalf of the secured parties. Subject to local laws. Enforceability of the Promissory Note: Market standard, i.e., upon an event of default which is continuing the Security Agent will enforce the Promissory Note on behalf of the secured parties. Subject to the laws of North Macedonia. In order to ensure continuous growth of the group via diversification of funding, the security package of the Bonds may be made available to other senior secured creditors of the group in accordance with an intercreditor agreement (the "**Intercreditor Agreement**"), within the limits of the Permitted Indebtedness, the Incurrence Covenants and the negative pledge covenants in the Terms and Conditions. The terms and conditions of all senior secured instruments and the Intercreditor Agreement shall provide, inter alia, for pro rata distribution of proceeds from enforcement of the security package and cross-default of senior secured debt.
Use of net Proceeds:	General business purposes, including refinancing of existing indebtedness, financing of growth in current and future markets as well as potential acquisitions.
Optional Redemptions: (Issuer call options):	**Optional Redemption at the Discretion of the Issuer** The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Maturity Date at the applicable call option amount together with accrued but unpaid Interest as follows: (a) the Make Whole Amount (as defined below) if the call option is exercised until the date falling 24 months after the Issue Date (the "**First Call Date**"); (b) 106.50% of the outstanding Nominal Amount if the call option is exercised after the First Call Date up to the date falling 36 months after the Issue Date (the "**Second Call Date**"); (c) 103.25% of the outstanding Nominal Amount if the call option is exercised after the Second Call Date up to (but excluding) the Maturity Date.

	"**Make Whole Amount**" means an amount equal to the sum of: (x) the present value on the relevant record date of 106.50% of the outstanding Nominal Amount, as if such payment originally should have taken place on the First Call Date; and (y) the present value on the relevant record date of the remaining interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call Date; both calculated by using a discount rate of fifty (50) basis points over the comparable German Government Bond Rate (*i.e*. comparable to the remaining duration of the Bonds until the First Call Date). **Optional Redemption following an Equity Offering** Prior to the third anniversary of the Issue Date, the Issuer may redeem up to 35% of the aggregate Nominal Amount with the proceeds of certain equity offerings at 106.50% of the outstanding Nominal Amount together with accrued but unpaid interest, provided that at least 65% of the aggregate Nominal Amount originally issued, remains outstanding immediately after the occurrence of such redemption. **Optional Redemption for Taxation Reasons** If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Bonds, the Issuer may redeem the Bonds in whole, but not in part, at a redemption price of 100% of the outstanding Nominal Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.
Change of Control:	Upon the occurrence of certain events constituting a ''change of control'' the Issuer will be required to offer to repurchase all outstanding Bonds at a purchase price equal to 101% of the outstanding Nominal Amount, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase.
Additional Amounts (Tax Gross-up):	All payments in respect of the Bonds or with respect to a Guarantee will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer, the relevant Guarantor or the Promissory Note Provider, as applicable, will pay additional amounts so that the net amount you receive is no less than that which you would have received in the absence of such withholding or deduction.
Covenants /	The Terms and Conditions contain, inter alia, the following financial

Financial Indebtedness:	covenants: **Maintenance Covenants** Holdco shall be subject to the following financial covenants, to be tested on quarterly basis upon submission of the annual audited consolidated reports and interim unaudited quarterly consolidated reports: • Interest Coverage Ratio is not less than 1.5; and • Capitalization Ratio is not less than: 15% **Incurrence Covenants** The Issuer, the Guarantors and the Promissory Note Provider (as defined below) shall not (a) incur any financial indebtedness (other than Permitted Indebtedness), or (b) pay any dividends or make any similar distribution to its shareholders outside the group, up to 25% of the distributable profit, unless the Interest Coverage Ratio for the period ending on the last day of the period covered by the most recent financial report (immediately preceding the date on which such additional financial indebtedness is incurred) is not less than 2.00 and the Capitalization Ratio of Holdco on a consolidated basis is not less than 20.00%, determined on a pro forma-basis (including a pro forma-application of the net proceeds therefrom). The financial covenants are subject to a number of important limitations, including Permitted Indebtedness. "**Interest Coverage Ratio**": Ratio of EBITDA to Net Finance Charges. "**Net Finance Charges**": The finance charges (aggregate amount of the accrued interests, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of financial indebtedness by any group company according to the latest financial report) according to the latest consolidated financial report, after deducting any interest payable for the relevant period to any group company and any interest income relating to cash and cash equivalence investments of the group and some further defined exclusions. "**Capitalization Ratio**": For Holdco the result (in percent) obtained by dividing (i) consolidated net worth of Holdco (calculated as of the end of the relevant period ending on the last day of the period covered by the most recent financial report) by (ii) Net Loan Portfolio as of such date of determination. "**Net Loan Portfolio**": The sum of loans and receivables minus allowances for loss of Holdco and any of the group companies as set forth on a consolidated balance sheet as of the period ending on the last day of the period covered by the most recent financial report. "**Permitted Indebtedness**" market standard permitted indebtedness

	definition, including: • transfer of loans to marketplace lending platforms and/or peer-to-peer platforms of up to 60% of the Net Loan Portfolio of the group up to EUR 75,000,000; • country basket up to 20% of the local Net Loan Portfolio for each Guarantor or the Promissory Note Provider; and • tap of the Bonds of up to EUR 125,000,000.00.
Certain further Covenants:	The Terms and Conditions contain covenants that, among other things, limit the ability of the Issuer, the Guarantors, Promissory Note Provider and the other Restricted Subsidiaries (as defined below) to: • incur or guarantee additional indebtedness (see above); • pay dividends on, redeem or repurchase capital stock (see above); • make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Issuer, the Guarantors or the Promissory Note Provider (see above); • create or incur certain liens (i.e., negative pledge); • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends or other distributions or make loans or advances to the Guarantors, the Promissory Note Provider or any of the Restricted Subsidiaries; • transfer or sell shares and all or substantially all of the assets; • merge or consolidate with other entities; and • engage in certain transactions with affiliates. Each of these covenants are subject to a number of important limitations such as, e.g., intra-group transactions or if financial indicators are above certain thresholds. "**Restricted Subsidiaries**": relevant direct and indirect subsidiaries of Holdco, including the Issuer, the Guarantors and the Promissory Note Provider.
Information undertakings:	The Terms and Conditions contain undertakings that, among other things, require the Issuer to provide investors with the following information by publication on the Issuer's website in the English language: • audited separate financial statements of the Holdco and audited financial statements of the Issuer, not later than four (4) months after the expiry of each financial year; • audited annual consolidated financial statements of Holdco, not

	later than four (4) months after the expiry of each financial year; • unaudited quarterly interim consolidated reports of Holdco, not later than two (2) months after the expiry of each relevant interim period. In addition, the Issuer undertakes to have quarterly earning calls with investors.
Event of default:	The Terms and Conditions provide for the following event of defaults that would trigger an early redemption of the Bonds by the Bondholders, acting through their Holders' Agent: (i) non-payment under the Bonds; (ii) fundamental breach of other material provisions of the Terms and Conditions; (iii) cross-default and cross acceleration of material financial indebtedness of the Issuer, the Guarantors and the Promissory Note Provider; (iv) insolvency and insolvency proceedings; (v) material seizure of group assets; (vi) impossibility or illegality; (vii) loss of business license having a material impact on the activities of the group.
Put Option:	In addition to the Events of Default, each Bondholder may exercise a put option at 101.00% of the outstanding Nominal Amount plus accrued and unpaid Interest, upon the occurrence of one of the following events: (i) change of control; (ii) breach of Maintenance Covenants (subject to 90 day cure period); and (iii) an ultimate beneficial owner of the Issuer is included into a sanction list of the European Union and the USA.
Selling Restrictions:	The Bonds and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction and are subject to certain restrictions on transfer and resale. There are restrictions on the offer, sale, and delivery of the Bonds, inter alia, in the United States. No sale/distribution in the U.S.

	Standard restrictions apply elsewhere, including in the EEA and Switzerland.	
Listing:	Application will be made to the Frankfurt Stock Exchange for the Bonds to be included to trading at the Open Market (Quotation Board) or another comparable trading segment within the EU upon Settlement Date. The Bonds are aimed to be listed on a regulated market six months after the Issue Date.	
Clearing:	Euroclear Bank S.A./N.V. / Clearstream Banking S.A.	
Governing Law:	The Bonds and the Guarantees will be governed by Luxembourg law.	
Paying Agent:	BPER Bank Luxembourg SA	
Transfer Agent:	BPER Bank Luxembourg SA	
Lead manager:	KNG Securities LLP	
Co-manager:	Gottex Brokers SA	
Regional sales agent:	Adamant Capital Partners AD, AS Redgate Capital, AS BlueOrange Bank, Bankhaus Scheich Wertpapierspezialist AG	
Holders' Agent:	Greenmarck Restructuring Solutions GmbH	
Security Agent:	Greenmarck Restructuring Solutions GmbH	
Enforcement Agent:	Prime Collect Macedonia Ltd (Macedonia); Kosovo Debt Collection Agency Sh.P.K (Kosovo); D&A Fin Partner Sh.P.K (Albania); Incaso SRL (Estonia)	
Security Codes:	**ISIN:**	**XS2033386603**
	Common Code:	**203338660**
LEI:	**Issuer**	**2221005B3DQGM4INWF57**
	ICE	**52990040ZC8FL1781027**
	ICM	**894500DIEBYHNGXRHU02**
	ICA	**894500DEJR8AOXOS4Y44**
	ICK	**894500GC69WYM61Z0221**
	ICNM	**894500DAJMYC3F3X4I57**
	ICBH	**894500DBGW8XXB371U69**
	ICB	**894500DAE3EKGFS1GY95**
Disclaimers:	***Important - your attention is drawn to the important notice and the disclaimers above, and any purchase of the Bonds will be deemed to be made in acceptance and acknowledgement by you of and subject to (i) the terms of such notice and disclaimers and (ii) the final Terms and Conditions***	

	in respect of the Bonds which all purchasers are deemed to have reviewed and found satisfactory, prior to closing. ***Please request a copy of the Terms and Conditions if you have not received them.***

IV. RISK FACTORS

Below is the description of risk factors that are material for the assessment of the market risk associated with the Bonds and risk factors that may affect each of the Issuer's ability to fulfil its obligations under the Bonds and, as applicable, the Guarantors' ability to fulfil their obligations under the Guarantee. Any of these risks could have a material adverse effect on the financial condition and results of operations of the Group. The market price of the Bonds could decline due to any of these risks, and investors could lose all or part of their investments.

Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Offering Memorandum and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of the Bonds. In addition, investors should bear in mind that several of the described risks can occur simultaneously and those have, possibly together with other circumstances, a stronger impact. The order in which the risks are described neither indicates the probability of their occurrence nor the gravity or significance of the individual risks nor the scope of their financial consequences. Additional risks, of which the Issuer is not presently aware, could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations.

Potential investors should, among other things, consider the following:

1. Risk factors relating to the Issuer, the Group and our business

The Guarantors are direct or indirect subsidiaries of Holdco and part of the Group. Accordingly, the Issuer and the Guarantors are affected, substantially, by the same risks as those that affect the business and operations of the entire Group. Therefore, references in this section to the Group shall include references to the Issuer and all Guarantors (if applicable). In relation to the Issuer and each Guarantor, no additional risks occur.

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful

We have a limited operating history in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- increase the number and total volume of loans we extend to our customers, while managing our credit risk;
- improve the terms on which we provide loans to our customers as our business becomes more efficient;
- increase the effectiveness of our direct marketing;
- increase partnership and brokerage network;
- successfully develop and deploy new products;
- favorably compete with other companies that are currently in, or may in the future enter, the business of consumer lending;
- successfully navigate economic conditions and fluctuations in credit markets;
- effectively manage the growth of our business;

- respond to regulatory developments;
- successfully integrate new acquisitions; and
- successfully expand our business into new markets.

We may not be able to successfully address these risks and difficulties, which could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may face difficulties in assessing the credit risk of potential borrowers

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

We utilize a variety of credit scoring criteria, monitor the performance of our loan portfolios and maintain an allowance for estimated losses on loans and advances (including interest fees) at a level estimated to be adequate to absorb expected credit losses. Our allowances for doubtful debts are estimates and if circumstances or risks arise that we do not identify or anticipate when developing our credit scoring model, the level of our non-performing assets and write-offs could be greater than expected. Actual losses may materially exceed the level of our allowance for impairment losses, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

In addition, factors beyond our control, such as the impact of macroeconomic trends, political events or adverse events affecting our key jurisdictions, or natural disasters, may result in an increase in non-performing assets. Our allowances for doubtful debts may not be adequate to cover an increase in the amount of non-performing assets or any future deterioration in the overall credit quality of our total portfolio. If the quality of our total portfolio deteriorates, we may be required to increase our allowances for doubtful debts, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance we may be subject to fines, penalties or limitations, have to exit certain markets or be restricted from carrying out certain operations

Our operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing. See "*Regulatory Framework.*" National and international regulations, as well as plaintiff bars, the media and consumer advocacy groups, have subjected our industry to intense scrutiny in recent years. Failure to comply with existing laws and regulations applicable to our operations, or to obtain and comply with all

authorizations and permits required for our operations, or adverse findings of governmental inspections, may result in the imposition of material fines or penalties or more severe sanctions, including preventing us from continuing substantial parts of our business activities, suspension or revocation of our licenses, or in criminal penalties being imposed on our officers.

In several of the jurisdictions where we operate, we also face risks related to the acquisition of licenses to conduct consumer lending services. We are dependent on the authorities to grant us such required licenses, and in some jurisdictions the licenses are subject to renewal procedures. See "*Regulatory Framework*." If we fail to comply with the laws and regulations applicable to our business, it may result in us not being able to renew our consumer lending license in one or several jurisdictions. Local regulators may also suspend existing licenses temporarily or revoke them permanently.

Governments may seek to impose new laws, regulatory restrictions or licensing requirements that affect the products or services we offer, the terms on which we offer them, and the disclosure, compliance and reporting obligations we must fulfill in connection with our business. They may also interpret or enforce existing requirements in new ways that could restrict our ability to continue our current methods of operation, including the development of our scoring models, or to expand operations or impose significant additional compliance costs on us. In some cases these measures could even directly limit or prohibit some or all of our current business activities in certain jurisdictions, or render them unprofitable and/or impractical to continue. In addition, they could require us to refund interest and result in a determination that certain loans are not collectable and could cause damage to our brand and our valued customer relationships.

Our business is subject to complex and evolving laws and regulations regarding privacy, data protection, and other matters

Our business is subject to a variety of laws and regulations internationally that involve user privacy issues, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The introduction of new products or the expansion of our activities in certain jurisdictions may subject us to additional laws and regulations. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving e-commerce industry in which we operate, and may be interpreted and applied inconsistently from country to country and may also be inconsistent with our current or past policies and practices. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, the expansion into new markets, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to inquiries or investigations, claims or other remedies, including demands which may require us to modify or cease existing business practices and/or pay fines, penalties or other damages. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Although we continuously educate our employees on applicable laws and regulations in relation to privacy, data protection and other matters, we cannot guarantee that our employees will comply at all times with such laws and regulations. If our employees fail to comply with such laws and regulations in the future, we may become subject to fines or other penalties which may have a negative impact on our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Failure to comply with anti-money laundering laws could have an adverse effect on our reputation and business

We are subject to anti-money laundering laws and related compliance obligations in most of the jurisdictions in which we do business. We have put in place an anti-money laundering policy and procedures for the Group (including employee trainings) which we apply in all of our countries of operation. However, these policies may not prevent all possible breaches of law. Country managers in each jurisdiction are responsible for money laundering prevention and compliance. As a financial institution, we are required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks. As a result, we often rely on anti-money laundering checks performed by our customers' banks when such customers open new bank accounts. If we are not in compliance with relevant anti-money laundering laws (including as a result of relying on deficient checks carried out by our customers' banks), we may be subject to criminal and civil penalties and other remedial measures such as cessation of business or license revocation. Any penalties, remedial measures or investigations into any potential violations of anti-money laundering laws could harm our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We are dependent upon our information technology systems to conduct our business operations

Our operations are significantly dependent on highly complex information technology ("**IT**") systems. The loan underwriting process is mainly performed automatically by IT systems developed internally by us and used at various stages of the underwriting process, including customer registration, application, identification and credit scoring. In addition, bank transfers are completed online and reminder e-mails and invoicing are automatically processed and sent to customers. If any IT system at any stage of the loan underwriting process were to fail, any or all stages of the underwriting process could be affected and customer access to our websites and products could be disrupted. Any disruption in our IT systems would prevent customers from applying for loans, which would hinder our ability to conduct business and have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

In addition, IT systems are vulnerable to a number of problems, including computer viruses, unauthorized access, physical damage to vital IT centers and software or hardware malfunctions. Any interruption in, or security breach of, our IT systems, could have a material adverse effect on our operations, such as the ability to serve our customers in a timely manner, accurately record financial data and protect us and our customers from financial fraud or theft. If our operations are compromised, our reputation and client confidence in our business may deteriorate and we may suffer significant financial losses, any of which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Moreover, our IT strategy is based on utilizing in our view the most sophisticated technologies and solutions available on the market. Therefore, we intend to continue making substantial investments in our IT systems and to adapt our operations and software to support current and future growth. We are required to continually upgrade our global IT system, and any failure to carry out such upgrades efficiently may result in the loss or impairment of our ability to do business or in additional remedial expense. In addition, there can be no assurance that we will be able to keep up to date with the most recent technological developments due to financial or technical limitations. Any inability to successfully develop or complete planned upgrades of our IT systems and infrastructure or

to adapt our operations and software may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Rapid growth and expansion may place significant strain on our managerial and operational resources and could be costly

We have experienced substantial growth and development in a relatively short period of time, although our strategy is to grow profitably our business may continue to grow substantially in the future. This growth has placed and may continue to place significant demands on our management and our operational and financial infrastructure. Expanding our products or entering into new jurisdictions with new or existing products can be costly and may require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to upgrade our systems and infrastructure to offer an increasing number of customers enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will ultimately increase. Continued growth could also strain our ability to maintain reliable service levels for our customers, develop and improve our operational, financial and management controls, develop and enhance our legal and compliance controls and processes, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel. Managing our growth will require, among other things, continued development of financial and management controls and IT systems; increased marketing activities; hiring and training of new personnel; and the ability to adapt to changes in the markets in which we operate, including changes in legislation, incurrence of additional taxes, increased competition and changes in the demand for our services. Rapid growth and expansion may be costly, and may strain our managerial and operational resources; any difficulties encountered in managing our growth may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The international scope of our operations may contribute to increased costs

We currently operate in 5 jurisdictions and, as part of our business strategy, we aim to continue pursuing attractive business opportunities in new jurisdictions. Although we analyze and carefully plan our international expansion and strictly control our investments, such expansion increases the complexity of our organization and may result in additional administrative costs (including costs relating to investments in IT), operational risk (including risks relating to management and control of cash flows and management and control of local personnel), other regulatory risk (including risks relating to non-compliance with data protection, anti-money laundering and local laws and regulations) and other challenges in managing our business. Any unforeseen changes or mistakes in planning or controlling our operations in these respects may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The continued expansion of our loan portfolio depends, to an increasing extent, upon our ability to obtain adequate funding

Our growth depends, to a significant extent, on our ability to obtain adequate funding from a variety of sources such as the international capital markets, marketplace platforms, peer to peer platforms and bank facilities. It is possible that these sources of financing may not be available in the future in the amounts we require, or they may be prohibitively expensive and/or contain overly onerous terms. European and international credit markets have experienced, and may continue to experience, high volatility and severe liquidity disruptions, such as those that took place following the international financial and economic crisis in

2008-2009, and more recently, the European sovereign debt crisis. These and other related events have had a significant impact on the global financial system and capital markets, and may make it increasingly expensive for us to diversify our funding sources and refinance our debt if necessary. Increased funding costs or greater difficulty in diversifying our funding sources may negatively impact our ability to sufficiently finance the expansion of our business operations, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Damage to our reputation and brand or a deterioration in the quality of our service may impede our ability to attract new customers and retain existing customers

Our ability to attract new customers and retain existing customers depends in part on our brand recognition and our reputation for and delivery of high quality services. Our reputation and brand may be harmed if we encounter difficulties in the provision of new or existing services, whether due to technical difficulties, changes to our traditional product offerings, financial difficulties, regulatory sanctions, or for any other reason. Damage to our reputation and brand, or a deterioration in the quality of our service, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The introduction of our new products and services may not be successful

As part of our business strategy, we may develop and introduce products and services that complement our current lending proposition. For example, in January 2019, we launched our new product, the Mastercard by IuteCredit Macedonia DOOEL–Skopje in North Macedonia only for the time being. This card is available immediately upon the approval of any loan application and it offers a unique vertical look on the current market. The Mastercard product offers, among others, the possibility to withdraw money from all ATMs around North Macedonia and rest of the world. However, we cannot guarantee these pilot products will be developed into permanent product offerings or that we will launch any other new products. We can also offer no assurance that any products or services that we introduce will be successful once they are offered to our current or future customers. We may not be able to adequately anticipate our target customers' needs or desires, which could change over time rendering certain of our products and services obsolete. We may face difficulties in making these products and services profitable and may incur significant costs in connection with such products. Moreover, our introduction of additional financial products or services could subject us to additional regulation or regulatory oversight by governmental authorities. Any of these factors may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Negative public perception of our business could cause demand for our products to significantly decrease

In recent years, there has been an increase in negative media coverage relating to short-term and single-payment loans of the type we offer. Certain consumer advocacy groups, as well as politicians and government officials in various jurisdictions where we operate, have advocated governmental action designed to prohibit higher cost consumer loans or place severe restrictions on the activities of short-term consumer lenders such as ourselves. The fees and/or interest charged by us and others in the industry attract media publicity about the industry and can be perceived as controversial. The negative characterization of these types of loans and lending practices could lead to more restrictive or adverse legislative or regulatory changes, which, in turn, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. See *" Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws,*

regulations, rules and guidance, we may be subject to fines or, penalties or limitations, have to exit certain markets or be restricted from carrying out certain operations."

In addition, our ability to attract and retain customers is highly dependent upon the success of our marketing campaigns and public reputation, including perceptions of our customer service, integrity, business practices and financial condition. Restrictions on our ability to advertise our products or negative perceptions or publicity regarding short-term lending in general—even if related to seemingly isolated incidents or to practices not specific to short-term loans, such as debt collection—could erode trust and confidence in us and damage our reputation among existing and potential customers, which could make it difficult for us to maintain or expand our customer base or could reduce the demand for our products and services, both of which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

If internet search engine providers change their methodologies for organic rankings or paid search results, or our organic rankings or paid search results decline for other reasons, our ability to attract new customers or to expand the volume of business from returning customers could be adversely affected

Our acquisition marketing for new customers and our relationship management with respect to returning customers are partly dependent on search engines, such as Google, Bing, Yahoo! and others, directing a significant amount of traffic to our desktop and mobile websites via organic ranking and paid search advertising. Our competitors' paid search activities may result in their sites receiving higher paid search results than ours and/or in a substantial increase to our advertising costs.

Our paid search activities may not produce (and in the past have not always produced) the results we desire. Internet search engines often revise their methodologies, which could adversely affect our organic rankings or paid search results, leading to a decline in our ability to attract new customers or retain existing customers (for example, in July 2016, Google introduced a global policy update that prevented companies offering online loans with a term of less than 60 days from using its advertising services). Such revisions may also cause difficulties for our customers in using our web and mobile sites, or result in more successful organic rankings, paid search results or tactical execution efforts for our competitors, a slowdown in the overall growth in our customer base and the loss of existing customers, as well as higher costs for acquiring returning customers. In addition, search engines could implement policies that restrict the ability of consumer finance companies, such as the Group, to advertise their services and products, which could reduce the likelihood of companies in our industry appearing in a prominent location in organic rankings or paid search results when certain search terms are used by the consumer. Our online marketing efforts are also susceptible to actions by third parties that negatively impact our search results such as spam link attacks, which are often referred to as 'black hat' tactics. Our sites have experienced meaningful fluctuations in organic rankings and paid search results in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of consumers directed to our web and mobile sites may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our business depends on marketing affiliates to assist us in obtaining new customers

We are dependent on marketing affiliates as a source for new customers. Our marketing affiliates place our advertisements on their websites, which, in turn, direct potential customers to our websites. As a result, the success of our business depends substantially on the willingness and ability of marketing affiliates to provide us customer leads at acceptable prices.

The failure of our marketing affiliates to comply with applicable laws and regulations, or any changes in laws and regulations applicable to marketing affiliates or changes in the interpretation or implementation of such laws and regulations, could have an adverse effect on our business and could increase negative perceptions of our business and industry. Also, certain changes in our online marketing affiliates' internal policies or privacy rules could limit our ability to advertise online. Additionally, the use of marketing affiliates could subject us to additional regulatory cost and expense. Any restriction on our ability to use marketing affiliates may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our business depends on services provided by third parties such as banks, local consumer credit agencies, IT services providers and debt-collection agencies

We advance loans to customers and collect repayments from customers through local bank accounts. Our continuing relationships with the banks with which we maintain accounts and with which we may in the future establish direct debit arrangements are critical to our business.

We contact consumer credit agencies and use other publicly available data sources in the jurisdictions in which we operate to verify the identity and creditworthiness of potential customers. In addition, every loan application in every country is verified through one or more credit bureaus. Should access to such information be restricted or disrupted for any period of time, or if the rates we are charged for access to such information should significantly increase, we may not be able to complete automatic customer identity and credit scoring checks in a timely manner or at all. This could impede our ability to process applications and issue loans and/or increase our cost of operation.

We also outsource certain IT services, such as software development, data center and technical support, to third-party providers

Moreover, we generally outsource the collection of debt to debt-collection agencies in the jurisdictions in which we operate. The loss of a key debt-collection agency relationship, or the financial failure of one of our core debt-collection agency partners, could restrict our ability to recover delinquent debt, and there is no guarantee that we could replace a strategic debt-collection agency partner in a timely manner or on favorable terms.

Any inability to maintain existing business relationships with banks, local consumer credit agencies, IT service providers, debt-collection agencies and other third-party providers or the failure by these third-party providers to maintain the quality of their services or otherwise provide their services to us may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

New top level domain names may allow for the entrance of new competitors or dilution of our brands, which may reduce the value of our domain name assets

We have invested heavily in promoting our brands, including our website addresses. The Internet Corporation for Assigned Names and Numbers, the entity responsible for administering internet protocol addresses, has introduced, and has proposed the introduction of, additional new domain name suffixes in different formats, many of which may be more attractive than the formats held by us and which may allow the entrance of new competitors at limited cost. It may also permit other operators to register websites with addresses similar to ours, causing customer confusion and the dilution of our brands, which could materially adversely affect our business, prospects, results of operations and financial condition. Any defensive domain registration strategy or attempts to protect our trademarks

or brands may be costly and may ultimately prove unsuccessful, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Changes in our working capital requirements may adversely affect our liquidity and financial condition

Our working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for used consumer credit. If our available cash flows from operations are not sufficient to fund our on-going cash needs, we would be required to look to our cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital. We are, as such, exposed to liquidity risks arising out of the mismatches between the maturities of our assets and liabilities, which may prevent us from meeting our obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between our assets and liabilities occur, this may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Furthermore, an economic or industry downturn, such as the recent financial and economic downturn in Europe, could increase the level of non-performing loans. A significant deterioration in our debt collection could affect our cash flow and working capital position and could also negatively impact the cost or availability of financing to us.

If our capital resources are insufficient to meet our working capital requirements, we will have to raise additional funds. We may not be able to raise sufficient additional funds on terms that are favorable to us, if at all. If we fail to raise sufficient funds, our ability to fund our operations, take advantage of strategic opportunities or otherwise respond to competitive pressures could be significantly limited, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. See also "*The continued expansion of our loan portfolio depends, to an increasing extent, upon our ability to obtain adequate funding*."

We may face liquidity risks

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

The terms of existing and future financings may impose financial and operating restrictions on us

The terms of existing financings, contain (and the terms of future financings may contain) a number of customary negative and other covenants, including, restricting our ability to do the following, among other things:

- incur more debt;
- change our line of business;
- make dividend payments, stock repurchases and other distributions;

- engage in certain mergers, consolidations and transfers of all or substantially all of our assets;
- make acquisitions of all of the business or assets of, or stock representing beneficial ownership of, any person;
- dispose of certain assets; and
- incur liens.

These covenants and restrictions could limit our ability to fund future operations or make capital expenditures, acquisitions or other investments in the future. Any failure to comply with any of the covenants under our existing and future financings may constitute an event of default under such financings, entitling the lenders to, among other things, terminate future credit availability, increase the interest rate on outstanding debt and/or accelerate the maturity of outstanding obligations. Any such default may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our current interest rate spread may decline in the future, which could reduce our profitability

We earn a substantial majority of our income from interest payments and fees on the loans we make to our customers. Bonds issuance in the international capital markets and other funding sources provide us with the capital to fund these loans and charge us interest on those borrowings. In the event that the spread between the rate at which we lend to our customers and the rate at which we raise debt funding or pay from our depositors decreases, our financial results and operating performance will suffer. The interest rates we charge to our customers and pay to our lenders could each be affected by a variety of factors, including access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements. These interest rates may also be affected by a change over time in the mix of the types of products we sell to our customers and investors. Interest rate changes may adversely affect our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, the level of economic growth, the state of the credit markets, changes in market interest rates, global economic disruptions, unemployment and the fiscal and monetary policies of the jurisdictions in which we operate. Any material reduction in our interest rate spread could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

A decrease in demand for our financial products and failure by us to adapt to such decrease could result in a loss of income

Our income is primarily based on short-term consumer lending. Accordingly, any decrease in demand for our products could have a significant impact on our income. A variety of factors could influence demand for our products, such as increased availability or attractiveness of competing financial products, changes in consumer sentiment and spending or borrowing patterns, regulatory restrictions that inhibit customer access to particular financial services, and changes in the financial condition of our customers that cause them to seek loans with longer maturities and/or larger size from other lending institutions or, alternatively, to exit the lending market entirely. Should we fail to adapt to a significant change in customer demand for, or access to, our products and services, our income could decrease significantly and our on-going business operations could be adversely affected. Even if we do adapt our existing products or introduce new products to meet changing customer demand, customers may resist or reject such products. The effect of any product diversification or change on the

results of our business may not be fully ascertainable until the change has been in effect for some time. All of these factors may result in a loss of income and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Potential union activities could have an adverse effect on our relationship with our workforce

None of our employees are currently covered by a collective bargaining agreement or represented by an employee union. If our employees become represented by an employee union or become subject to a collective bargaining agreement, it may make it more difficult for us to manage our business and to attract and retain new employees and may increase our cost of doing business. If our employees unionize or sign up to a collective bargaining agreement or if other labor-related requirements are imposed on us, we may experience work stoppages and incur higher employee costs, which, in turn, could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our ability to recover outstanding debt may deteriorate if there is an increase in the number of our customers facing personal insolvency procedures

Various economic trends and potential changes to existing legislation may contribute to an increase in the number of customers subject to personal insolvency procedures. Under some insolvency procedures, a person's assets may be sold to repay creditors; our loans, however, are unsecured, and we are often unable to collect on such loans. The ability to successfully collect on our loans may decline with an increase in personal insolvency procedures or a change in insolvency laws, regulations, practices or procedures, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may be unable to protect our proprietary technology or keep up with that of our competitors and we may become subject to intellectual property disputes, which are costly to defend and could harm our business and operating results

The success of our online and mobile lending business depends to a significant degree upon the protection of our software and other proprietary intellectual property rights. We may be unable to deter misappropriation or other unauthorized use of our proprietary information or take appropriate steps to enforce our intellectual property rights. In addition, competitors could, without violating our proprietary rights, develop technologies that are as good as or better than our technology. Failure to protect our software and other proprietary intellectual property rights or to develop technologies that are as good as our competitors' could put us at a competitive disadvantage. Any such failures may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

From time to time, we face and we may face in the future, allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors. Patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes. Such events may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and respond to cyber incidents

Our business involves the storage and transmission of customers' proprietary information, and security breaches could expose us to a risk of loss or misuse of this information, litigation and potential liability. We are entirely dependent on the secure operation of our websites and systems, and the websites and systems of our data center providers, as well as on the operation of the internet generally. While we experience cyber-attacks or security breaches from time to time, we have incurred no significant material cyber-attacks or security breaches to date, a number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers and/or our data center providers. Although we and our data center providers devote resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, there is no assurance that these security measures will provide absolute security. Despite our efforts to ensure the integrity of our systems and our data center providers' efforts to ensure the integrity of their systems, effective preventive measures against all security breaches may not be anticipated or implemented, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Group such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. These risks may increase in the future as we continue to increase our mobile and other internet-based product offerings and expand our internal usage of web-based products and applications or expand into new countries. If an actual or perceived breach of security occurs, customer and/or supplier perception of the effectiveness of our security measures could be harmed and could result in the loss of customers, suppliers or both. Actual or anticipated attacks and risks may cause us to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees or engage third party experts and consultants.

A successful penetration or circumvention of our security systems or the security system of our data center providers could cause serious negative consequences to our business, including significant disruption of our operations, misappropriation of our confidential information or that of our customers or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure and reputational harm, all of which could have a material adverse effect on us. In addition, most of our applicants provide personal information, including bank account information when applying for consumer loans. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication to effectively secure transmission of confidential information, including customer bank account and other personal information. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in the breach or compromise of the technology used by us to protect transaction data. Data breaches can also occur as a result of non-technical issues.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions, including "denial-of-service" type attacks. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches that result in the unauthorized release of customers' personal information could damage our reputation and expose us to a risk of loss or litigation and

possible liability. In addition, many of the third parties who provide products, services or support to us could also experience any of the cyber risks or security breaches described above, which could impact our customers and our business and could result in a loss of customers, suppliers or income.

Any of these events could result in a loss of income and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our success is dependent upon our management and employees and our ability to attract and retain qualified employees

Our success depends on our management and employees who possess highly specialized knowledge and experience in IT and the development of the consumer lending business. Many members of our senior management team possess significant experience in the consumer lending industry and knowledge of the regulatory and legal environments in the markets in which we operate, and we believe that our senior management would be difficult to replace. The market for qualified individuals is highly competitive and labor costs for the hiring and training of new employees are increasing. Accordingly, we may not be able to attract and/or retain qualified managers or IT specialists, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The preparation of our consolidated financial statements under IFRS and certain tax positions taken by us require the judgment of management, and we could be subject to risks associated with these judgments or could be adversely affected by the implementation of new, or changes in the interpretation of existing, accounting standards, financial reporting requirements or tax rules

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). IFRS and its interpretations are subject to change over time. If new accounting standards or interpretations of or amendments to existing accounting standards require us to change our financial reporting, our results of operations and financial condition could be materially adversely affected, and we could be required to restate historical financial reporting.

The preparation of our consolidated financial statements in conformity with IFRS requires the board of directors and other management personnel to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the dates of the consolidated financial statements, and the reported amounts of income and expenses in the reporting periods. It also requires our board of directors and other management personnel to exercise their judgment in the application of our accounting policies. There is a risk that such estimates, assumptions or judgments by the board of directors and other management personnel do not correctly reflect the actual financial position of the Group.

In addition, management's judgment is required in determining the provision for income taxes, the levels of deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets, along with our approach to matters concerning withholding tax and value added tax. We regularly assess the adequacy of our tax provisions. If required, we also seek advice from external tax advisors. There can be no assurance as to the outcome of these decisions, or to the quality of advice we receive. From time to time, we may become subject to tax audits in the jurisdictions in which we operate. Furthermore, the tax laws and regulations, including the interpretation and enforcement thereof, in the jurisdictions in which we operate may be subject to change. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner.

Any additional or increased tax payments may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We are subject to impairment risk

Our loan portfolio is subject to the risk of impairment. We examine each of our delinquency buckets separately for impairment on a monthly basis and we apply a formula for assessing net impairment losses for each reporting period.

In relation to our growth, our net impairment charges have increased substantially in recent years. In the financial year ended 31 December 2018, we recorded a net impairment charge of EUR 10,400,000, substantially higher than the impairment charge of EUR 3,200,000 taken in the financial year ended 31 December 2017. In the financial years ended 31 December 2016 and 2015, our net impairment charges were EUR 1,500,000 and EUR 900,000 respectively. We attribute a significant portion of this increase in impairment charges to our rapid expansion in existing and new jurisdictions in recent years. As we plan to continue expanding our operations in the future, particularly in new jurisdictions (with the remaining increase due to an increase in the scale of our operations), there is a risk that our impairment charges will continue to rise. We continue to monitor relevant circumstances, including consumer levels, general economic conditions and the market prices for our products, and the potential impact that such circumstances might have on the valuation of our assets. It is possible that changes in such circumstances, or in the numerous variables associated with our judgments, assumptions and estimates made in assessing the appropriate valuation of assets, could in the future require us to further reduce our assets and record related non-cash impairment charges. If we are required to record additional impairment charges, this may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our operations in various countries subject us to foreign exchange risk

We operate in various jurisdictions and provide loan products in local currencies, including the Euro (in Kosovo), the Bulgarian Lev, the Moldavian Leu, the Albanian Lek and the North Macedonian Denar. Thus, our results of operations are exposed to foreign exchange rate fluctuations. As of 31 December 2018, 93% of our net loans and advances due from customers were denominated in non-Euro currencies. Although we regularly monitor our open foreign currency positions, and manage them by forming natural hedges and/or evaluating potential economically viable financial instruments we are still subject to certain shifts in currency valuations. Any failure to manage foreign exchange risk may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

If we fail to geographically diversify and expand our operations and customer base, our business may be adversely affected

Several countries in which we operate generate a significant share of our income. As a result, we are exposed to country-specific risks with respect to such national markets. In such markets, a dissatisfaction with our products, a revocation of our operating license, a decrease in customer demand, a failure to successfully market our new and existing products or the failure to further expand our customer base and retain our existing customer base may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. While we continue to seek opportunities to expand our operations into new markets, there can be no guarantee that such efforts of diversification will be successful. Failure to geographically diversify and expand our

operations and customer base could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may be adversely affected by contractual claims, complaints, litigation and negative publicity

We may be adversely affected by contractual claims, complaints and litigation, resulting from relationships with counterparties, customers, competitors or regulatory authorities, as well as by any adverse publicity that we may attract. Any such litigation, complaints, contractual claims, or adverse publicity may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Defense of any lawsuit, even if successful, could require substantial time and attention of our management and could require the expenditure of significant amounts for legal fees and other related costs. We are also subject to regulatory proceedings, and we could suffer losses from the interpretation of applicable laws, rules and regulations in regulatory proceedings, including regulatory proceedings in which we are not a party. Any of these events could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Our operations could be subject to natural disasters and other business disruptions, which could adversely impact our future income and financial condition and increase our costs and expenses

Our services and operations are vulnerable to damage or interruption from tornadoes, earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors and similar events. A significant natural disaster, such as a tornado, earthquake, fire or flood, could have a material adverse impact on our ability to conduct business, and our insurance coverage may be insufficient to compensate for losses that may occur. Although we have clear understanding of actions necessary to be taken in case of disaster to recover IT part, acts of terrorism, war, civil unrest, violence or human error could cause disruptions to our business or the economy as a whole. Any of these events could cause consumer confidence to decrease, which could decrease the number of loans we make to customers. Any of these occurrences may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Failure to keep up with the rapid changes in e-commerce and the uses and regulation of the Internet could harm our business

The business of providing products and services such as ours over the Internet is dynamic and relatively new. We must keep pace with rapid technological change, consumer use habits, Internet security risks, risks of system failure or inadequacy and governmental regulation and taxation. Local regulators may have divergent interpretations as to the classification of our services provided online, which may result in the reclassification of our services into e-money, payment or other services requiring a separate license. In addition, concerns about fraud, computer security and privacy and/or other problems may discourage additional customers from adopting or continuing to use the Internet as a medium of commerce, and each of these factors could adversely impact our business.

Failure to comply with anti-corruption laws, including anti-bribery laws, could have an adverse effect on our reputation and business

While we are committed to doing business in accordance with applicable anti-corruption and anti-bribery laws, we face the risk that any of our operating subsidiaries or their respective officers, directors, employees, agents or business partners may take actions or

have interactions with persons that violate such anti-corruption laws, or face allegations that they have violated such laws.

Corruption is one of the main risks confronting companies in certain of the markets where we operate. According to the International Monetary Fund (IMF), Albania, Bosnia Herzegovina, Bulgaria, Kosovo, Moldova and North Macedonia are emerging markets. According to the 2018 Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world by ranking countries from 1 (least corrupt) to 180 (most corrupt), the indexes of jurisdictions where we operate are: Albania 99, Bosnia Herzegovina 89, Bulgaria 77, Estonia 18, Moldova 117, and Kosovo 93. Corruption has also been reported to affect the judicial systems and certain of the regulatory or administrative bodies of the countries where we operate. The effects of corruption on our operations are difficult to predict. However, under certain circumstances, corruption, particularly where it heightens regulatory uncertainty or leads to regulatory changes adverse to our operations or to liability on our part or on the part of our directors or business partners, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Difficult conditions in the global financial markets and in the economy could have an adverse effect on our business

Although there have been signs of a global economic recovery during the last several years, various concerns remain regarding the ability of certain EU Member States and other countries to continue servicing their sovereign debt obligations or maintain their existing credit ratings. The significant economic stagnation in certain countries in the Eurozone, especially Greece, Ireland, Italy, Portugal, Spain, Slovenia and Cyprus, in part due to the effects of the sovereign debt crisis and corresponding austerity measures in these markets, has added to these concerns. The measures so far implemented to reduce public debt and fiscal deficits have already resulted in lower or negative GDP growth and high unemployment rates in these countries. If the fiscal obligations of these or other countries continue to exceed their respective fiscal revenues, taking into account the reactions of the credit and swap markets, or if the banking systems of these jurisdictions destabilize, the ability of such countries to service their debt in a cost efficient manner could be impaired. We operate in many countries which are likely to be affected by these developments. The continued uncertainty over the outcome of various international financial support programs, the possibility that other countries might experience similar financial pressures, investor concerns about inadequate liquidity or unfavorable volatility in the capital and foreign exchange markets, lower consumer spending, higher inflation or political instability could further disrupt the global financial markets and might adversely affect the economy in general. In addition, the risk remains that a default of one or more countries in the Eurozone, the extent and precise nature of which are impossible to predict, could lead to the expulsion or voluntary withdrawal of one or more countries from the Eurozone or a disorderly break-up of the Eurozone, either of which could significantly disrupt financial markets and possibly trigger another global recession. Such events may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Significant, rapid or unforeseen economic or political changes in the economies in which we operate could reduce demand for our products and services and result in reduced earnings

We operate in a variety of markets in Europe and the Balkans, including some so-called emerging markets, such as Albania, Bulgaria, Kosovo, Moldova and North Macedonia. We

are considering expanding our business into other new markets should opportunities present themselves. In recent years, certain of the emerging markets where we operate have undergone substantial political, economic and social change. As is typical of emerging or transitioning markets, they do not possess the full business, legal and regulatory infrastructures that would generally exist in more mature, free market economies, and the business, legal and regulatory infrastructures in these jurisdictions are continuously evolving. See also "Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance, we may be subject to fines or penalties, have to exit certain markets or be restricted from carrying out certain operations." In addition, the tax and currency legislation in the markets in which we operate are subject to varying interpretations and changes, which can occur frequently. Any disruption of the reform policies and recurrence of political or governmental instability may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

In certain of the jurisdictions where we operate, such as Bulgaria and Kosovo political and economic environments continue to develop and remain at risk of disruption from domestic or international events. If either our controlling shareholder or one of our ultimate beneficial owners were to become the subject of sanctions, this could have a material adverse effect on our business, including our reputation, and depending on the nature of the sanctions, on our ability (including the ability of the Guarantors) to make payments on the Bonds. Any significant changes in, or a deterioration of, the political or economic environment in regions where we currently operate or will operate in the future could lead to political and economic instability, which may have an adverse effect on investor and consumer confidence and affect consumers' ability to repay loans and accrued interest. Should the ability of our customers to repay loans and accrued interest be affected, this could restrict our ability to sustain or expand our operations in these countries and could therefore adversely and materially affect our cash flow, liquidity and working capital position. If such a situation were to occur, we may be required to seek additional capital. There is no guarantee that we would be successful in raising additional capital, or that we will be able to do so on a timely basis or on terms which are acceptable to us. If significant political or economic deterioration were to continue, we could face a liquidity shortage, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The future economic direction of the markets in which we operate remains largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by their respective governments, together with tax, legal, regulatory, and political developments. Our failure to manage the risks associated with our operations in emerging markets may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The legal and judicial systems in some of our markets of operation are less developed than western European countries

The legal and judicial systems in some of the markets in which we operate are less developed than those of western European countries. Commercial, competition, securities, anti-bribery, personal data protection, company and bankruptcy law (as well as other areas of law) in such countries may be unfamiliar to local judges. Related legal provisions in these jurisdictions have been and continue to be subject to ongoing, and at times unpredictable, changes. Existing laws and regulations in our countries of operation may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. Furthermore, it may not be possible, in certain circumstances, to obtain legal remedies in a timely manner in these countries. The relatively limited experience of a significant number

of judges or other legal officials practicing in these markets, specifically with regard to capital markets issues, and questions regarding the independence of the judiciary system in such markets may lead to decisions based on considerations that are not grounded in the law. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through the respective court systems may be laborious, especially where such judgments may lead to business closures or job losses. This lack of legal certainty may adversely affect our business, and may also make it difficult for you to address any claims you may have as an investor.

2. Risk factors relating to the Bonds

Our substantial level of indebtedness could adversely affect our financial condition, our ability to obtain financing in the future and our ability to fulfill our obligations under the Bonds

We have substantial indebtedness and we may incur additional indebtedness. Our high level of indebtedness could have important consequences for holders of the Bonds. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the Bonds and our other indebtedness, resulting in possible defaults on and acceleration of such indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of such cash flows to fund working capital, acquisitions, capital expenditures and other general corporate purposes;
- limit our ability to obtain additional financing for working capital, acquisitions, capital expenditures, debt service requirements and other general corporate purposes;
- limit our ability to refinance indebtedness or cause the associated costs of such refinancing to increase;
- limit our ability to fund change of control offers;
- restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us, which could limit our ability to, among other things, make required payments on our debt;
- increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations (because a portion of our borrowings may have variable rates of interest); and
- place us at a competitive disadvantage compared to other companies with proportionately less debt or comparable debt at more favorable interest rates who, as a result, may be better positioned to withstand economic downturns.

The high level of our indebtedness and the consequences thereof (as described above) could have a material adverse effect on our business, financial condition and results of operations. We expect to obtain the funds to pay our expenses and to repay our indebtedness primarily from our operations. Our ability to meet our expenses and make these payments thus depends on our future performance, which will be affected by financial, business, economic, regulatory and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future and our currently anticipated

growth in income and cash flow may not be realized, either or both of which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not have enough funds, we may be required to refinance all or part of our then existing debt, sell assets or borrow more funds, which we may not be able to accomplish on terms acceptable to us, or at all. In addition, the terms of existing or future debt agreements may restrict us from pursuing any of these alternatives.

Despite our current indebtedness level, we may be able to incur substantially more debt, including secured debt, which could further exacerbate the risks associated with our substantial level of indebtedness

We may incur substantial additional indebtedness in the future, including secured debt. If new debt is added to our current debt levels, the related risks that we face would increase, and we may not be able to meet all of our debt obligations.

We may not be able to generate sufficient cash to service all of our indebtedness, including the Bonds, and may be forced to take other actions to satisfy our obligations under our debt agreements, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest and additional amounts, if any, on our indebtedness, including the borrowings under the Bonds offered hereby.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including our indebtedness under the Bonds offered hereby. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous borrowing covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

If we cannot make scheduled payments on our debt:

- the holders of our debt could declare all outstanding principal and interest to be due and payable;
- the holders of our secured debt, to the extent we have any, could commence foreclosure proceedings against our assets;
- we could be forced into bankruptcy or liquidation; and
- you could lose all or part of your investment in the Bonds.

The Issuer is a company that has no income generating operations of its own and depends on cash from our operating companies to be able to make payments on the Bonds

The Issuer's only business operations consist of providing financing to the Group companies with no business operations. See "*Information about the Issuer*" and "*Information about the Group and the Guarantors*". The Issuer will be dependent upon the cash flow from our operating subsidiaries in the form of interest income, direct loan repayment, dividends or other distributions or payments to meet their obligations, including the Issuer's obligations under the Bonds or other indebtedness incurred to fund its equity interests and other financial assets. The amounts of interest income, dividends or other distributions or payments available to the Issuer will depend on the profitability and cash flows of our subsidiaries and the ability of those subsidiaries to issue dividends and make distributions and other payments under applicable law. Our subsidiaries, however, may not be able to, or may not be permitted under applicable law to, make interest payments, loan principal repayments, dividends, distributions or other payments to the Issuer to make payments in respect of their indebtedness, including the Bonds. In addition, our subsidiaries that do not guarantee the Bonds have no obligation to make payments with respect to the Bonds.

The Bonds will be structurally subordinated to all indebtedness of those of our existing or future subsidiaries that are not, or do not become, Guarantors of the Bonds

The Bonds are initially guaranteed only by some of Holdco's subsidiaries. Claims of holders of the Bonds will be structurally subordinated to all indebtedness and the claims of creditors of any non-guarantor subsidiaries, including trade creditors. All indebtedness and obligations of any non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution upon liquidation or otherwise to us or to a Guarantor of the Bonds.

We may be unable to repay or repurchase the Bonds at maturity

At maturity, the entire principal amount of the Bonds, together with accrued and unpaid interest, will become due and payable. We may not have the ability to repay or refinance these obligations. If the maturity date occurs at a time when other arrangements prohibit us from repaying the Bonds, we could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. If we fail to obtain the waivers or refinance these borrowings, we would be unable to repay the Bonds.

Relevant insolvency and administrative laws may not be as favorable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Guarantees and the Issuer and the Guarantors are subject to risks relating to the location of their center of main interest ("COMI")

The Issuer is incorporated in the Grand Duchy of Luxembourg and the Guarantors are incorporated or organized in Albania, Bulgaria, Bosnia Herzegovina, Estonia, North Macedonia, Moldova and Kosovo. Some of our subsidiaries may be in the future incorporated or organized in jurisdictions other than those listed above and are subject to the insolvency laws of such jurisdictions. The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the bankruptcy laws of certain other jurisdictions and your ability to receive payment under the Bonds may be more limited than would be the case under such bankruptcy laws. See "*Limitations on Validity and Enforceability of the Guarantees and the Bonds and Certain Insolvency Considerations.*"

In addition, there can be no assurance as to how the insolvency laws of these jurisdictions will be applied in relation to one another. In the event that the Issuer, any of the Guarantors or any other of our subsidiaries experienced financial difficulty, it is not possible to predict

with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such proceedings. Under the Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended (the "**EU Insolvency Regulation**"), the "main" insolvency proceedings in respect of a debtor should be opened in the EU Member State in which its COMI is located. See "*Limitations on Validity and Enforceability of the Guarantees and the Bonds and Certain Insolvency Considerations.*" There is a presumption in the EU Insolvency Regulation that a company's COMI is in the EU Member State in which its registered office is located; however, this presumption may be rebutted by certain factors relating in particular to where the company's central administration is located. In addition, the concept of a company's COMI is a fluid and factual concept that may change. Although the Issuer's registered office is in Luxembourg, a COMI may be found to exist outside Luxembourg, and insolvency laws of another jurisdiction may become relevant. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferences, transactions at an undervalue and transactions defrauding creditors, priority of governmental and other creditors, ability to obtain or claim interest following the commencement of insolvency proceedings and the duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Bonds or the Guarantees in these jurisdictions and limit any amounts that you may receive. Prospective investors in the Bonds should consult their own legal advisors with respect to such considerations.

The transfer of the Bonds is restricted, which may adversely affect their liquidity and the price at which they may be sold

The Bonds and the Guarantees have not been registered under, and we are not obliged to register the Bonds or the Guarantees under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act or such securities laws as applicable. We have not agreed to or otherwise undertaken to register the Bonds or the Guarantees, and do not have any intention to do so.

There is no established trading market for the Bonds. If an actual trading market does not develop for the Bonds, you may not be able to resell them quickly, for the price that you paid or at all

The Bonds will constitute a new issue of securities and there is no established trading market for the Bonds. If an active trading market does not develop or is not sustained, the market price and liquidity of the Bonds may be adversely affected and you may be unable to resell your Bonds at a particular time, at their fair market value or at all.

If a trading market does develop, the market price of the Bonds will depend on many factors, including:

- the market demand for securities similar to the Bonds and the interest of securities dealers in making a market for the Bonds;
- the number of holders of the Bonds;
- the prevailing interest rates being paid by other companies similar to us;
- our financial condition, financial performance and future prospects;

- the market price of our common stock;
- the prospects for companies in our industry generally; and
- the overall condition of the financial markets.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Bonds. It is possible that the market for the Bonds will be subject to such disruptions. Any disruptions may have a negative effect on holders, regardless of our prospects and financial performance.

An increase in interest rates could result in a decrease in the relative value of the Bonds

In general, as market interest rates rise, Bonds bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase these Bonds and market interest rates increase, the market value of your Bonds may decline. We cannot predict future levels of market interest rates.

Investors may face foreign exchange risks by investing in the Bonds

The Bonds will be denominated and payable in EUR. If investors measure their investment returns by reference to a currency other than EUR, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the EUR relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the EUR against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the relevant Bonds below their stated coupon rates and could result in a loss to investors when the return on such Bonds is translated into the currency by reference to which the investors measure the return on their investments.

We may choose to repurchase or redeem the Bonds when prevailing interest rates are relatively low, including in open market purchases

We may seek to repurchase or redeem the Bonds from time to time under a call option right provided under the Terms and Conditions, especially when prevailing interest rates are lower than the rate borne by such Bonds. If prevailing rates are lower at the time of redemption, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Bonds being redeemed. Our redemption right also may adversely impact your ability to sell such Bonds.

We may also from time to time repurchase the Bonds in the open market, privately negotiated transactions, tender offers or otherwise. Any such repurchases or redemptions and the timing and amount thereof would depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. Such transactions could impact the market for such Bonds and negatively affect our liquidity.

The interests of our beneficial owners may conflict with those of the Holders

The Group is ultimately controlled by several individuals (see *Information about the Group – Beneficial ownership*). These individuals have and will continue to have the power to affect the legal and capital structure and the day-to-day operations of the Group, as well as the ability to elect and change the management team and approve other changes to the Group's operations. The interests of the ultimate beneficial owners may, in some circumstances,

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

The rights of the holders of the Bonds depend on the Agent's and Security Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (being on the date of this Offering Memorandum Greenmarck Restructuring Solutions GmbH) to act on its behalf and to perform administrative functions relating to the Bonds and the Finance Documents. In addition, pursuant to the Security Agent Agreement, the Security Agent has been appointed as the agent and representative of the Secured Creditors, to represent and act for such secured creditors, i.e., the holders of the Bonds, in relation to the Transaction Security Documents.

The Agent has, among other things, the right to represent the holders of the Bonds in all court and administrative proceedings in respect of the Bonds and the sole right and legal authority to represent the holders of the Bonds vis-à-vis the Security Agent. Only the Security Agent is entitled to exercise the rights under the Transaction Security Documents and enforce the same. Any failure by an agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the holders of the Bonds due to, for example, inability to enforce the security and/or receive any or all amounts payable from the security in a timely and effective manner.

A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the holders of the Bonds. Funds collected by the Agent as the representative of the holders of the Bonds must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the holders of the Bonds. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, it cannot be excluded that the successor Agent would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

Materialization of any of the above risks may have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Payments on the Bonds may be subject to U.S. withholding tax under the Foreign Account Tax Compliance Act.

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 and the U.S. Foreign Account Tax Compliance Act, commonly known as "FATCA", a "foreign financial institution" may be required to withhold a 30% withholding tax on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification,

reporting, or related requirements. A number of jurisdictions (including Luxembourg) 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. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, 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 Bonds, such withholding would not apply prior to 1 January 2019 (intended date) and Bonds issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). As long as the rules for the implementation and the definition of "foreign passthru payments" are not written, it is impossible to determine what impact, if any, this withholding will have on Holder of the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, Holders will not receive any Additional Amount in respect of such withholding, and Holders will therefore receive less than the amount that they would otherwise have received on such Bonds. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

Risks related to the Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD, including the Common Reporting Standard ("**CRS**"). As of 12 May 2016 and per the status issued by the OECD on 19 August 2016, 84 jurisdictions, including Luxembourg, signed the multilateral competent authority agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions, including Luxembourg, have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which include trusts and foundations) with tax residency in another CRS country. CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Luxembourg law (by the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*). As a result, the Issuer is required to comply with identification obligations starting in 2016, with reporting having begun in 2017. Holders of Bonds may be required to provide additional information to the Issuer to enable it to satisfy its identification obligations under the Luxembourg implementation of the CRS. Prospective investors are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU. Not complying with the CRS rules may be sanctioned by fines imposed upon the Issuer. Furthermore, it cannot be ruled out that as a sanction against

failure to comply with the CRS rules, a withholding tax will be introduced similar to the withholding tax imposed for non-compliance with FATCA regulations.

3. Risk factors relating to the Security created under the Transaction Security Documents, the Guarantees and the Security Agent Agreement

The Security created under the Transaction Security Documents and the Guarantees may not be sufficient to cover all the Secured Obligations and the enforcement of the security may be delayed or the security may not be enforceable at all

There is no assurance that the Security created under the Transaction Security Documents and the Guarantees, benefiting the holders of the Bonds, will be sufficient to cover all the Secured Obligations and, therefore, all the Issuer's payment obligations under the Bonds may not be secured, if at all.

The receivables of the holders of the Bonds rank *pari passu* with the receivables of the other secured creditors except for certain liabilities owed to the Security Agent and certain enforcement costs of the secured creditors, which have priority to the enforcement proceeds of the Transaction Security Documents and Guarantees. The Issuer cannot assure that the proceeds of any enforcement of the Transaction Security Documents would be sufficient to satisfy all amounts then owed to the Holders. In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner. For more information on the Security Agent Agreement, please see *"Additional Information on the Guarantees, the Transaction Security Documents and the Security Agent Agreement "*.

Enforcement of the Guarantees across multiple jurisdictions may be difficult

The Bonds will be guaranteed by the initial and any additional Guarantors, which are organized or incorporated under the laws of multiple jurisdictions. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of holders of the Bonds under the Guarantees will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organization of the Issuer or the Guarantors may be materially different from, or in conflict with, one another, including creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Bonds and the Guarantees.

Financial information of the Guarantors, Plegdors and the Promissory Note Provider

Given that Holdco is the holding company of the Group and the material operations of the Group are performed within the various Guarantors, Pledgors (excluding the Issuer) and the Promissory Note Provider and that the EBITDA generated by the Guarantors, Pledgors (excluding the Issuer) and the Promissory Note Provider amounts to 91 per cent of the total EBITDA of the Group in the last financial year the additional information gained from individual historical financial information of the individual Guarantors and Pledgors (excluding the Issuer) are of minor importance and do not as such influence the assessment of the financial position and prospects of the Guarantors, Pledgors (excluding the Issuer). and the Promissory Note Provider.Given that the vast majority of the income of the Group is generated by the Guarantors, Pledgors (excluding the Issuer) and the Promissory Note

Provider, the individual financials would, taken as a whole, not grant any significant additional information for investors.

Consequently, an investor in the Bonds has to rely on the consolidated financial information of Holdco as contained in this Offering Memorandum.

There are risks related to the Security Agent Agreement

The holders of the Bonds and the other secured creditors are represented by the Security Agent in all matters relating to the Transaction Security Documents. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security Documents.

Subject to the terms of the Security Agent Agreement, the Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Security created under any of the Transaction Security Documents or for the purpose of settling, among others, the holders of the Bonds rights to the security. Although there is a limitation that such actions shall not be taken if the Security Agent deems the action to be detrimental to the interests of the holders of the Bonds, it cannot be guaranteed that actions would not be taken that may be considered to be detrimental in the view of some or all of the holders of the Bonds.

The enforcement of the Guarantees and the Transaction Security Documents will be subject to the procedures and limitations set out in the Security Agent Agreement

Even when the Transaction Security Documents are enforceable, the enforcement is subject to the procedures and limitations agreed in the Security Agent Agreement and the Terms and Conditions. There can be no assurance as to the ability of the holders of the Bonds to instruct the Security Agent to initiate any enforcement procedures. Furthermore, any enforcement of security may be delayed due to the provisions of the Security Agent Agreement and the Terms and Conditions.

Insolvency administrator may not respect the Security Agent Agreement

It is not certain that a Secured Creditor or a bankruptcy administrator of such Secured Creditor or the Issuer would respect the Security Agent Agreement which potentially could adversely affect the other Secured Creditors.

The Security Agent Agreement and the Transaction Security Documents may be amended without the consent of the holders of the Bonds

The Terms and Conditions provide for the Agent to agree to amendments and grant waivers and consents and give written instructions in respect of the Security Agent Agreement and the Transaction Security Documents without consulting the holders of the Bonds provided that in the opinion of the Issuer and the Agent, such amendments or waivers are of a formal, minor or technical nature or are made to correct a manifest or proven error or to comply with mandatory provisions of law and which are in the opinion of the Issuer and the Agent not materially prejudicial to the interests of the holders of the Bonds. Any of the before-mentioned actions may result in less beneficial rights and more cumbersome obligations for the holders of the Bonds under the Transaction Security Documents.

We cannot exclude that the Guarantee may be reclassified as a suretyship by a Luxembourg court

While the Guarantee is structured as a first demand independent guarantee and it explicitly states that it is not a suretyship (*cautionnement*) we cannot exclude that the Guarantee could, if submitted to a Luxembourg court, possibly be construed by such court as a suretyship (*cautionnement*) and not a first demand guarantee or an independent guarantee. Article 2012 of the Luxembourg Civil Code provides that the validity and the enforceability of a suretyship (which constitutes an accessory obligation) is subject to the validity of the underlying obligation. It follows that if the underlying obligations were invalid or challenged, it cannot be excluded that the Guarantors would be released from their liabilities under the Guarantee.

The Transaction Security Documents and the Guarantees will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability

The Transaction Security Documents and the Guarantees provide the Security Agent, acting for the benefit of the holders of the Bonds, with a claim against the relevant Security Provider. However, the Transaction Security Documents and the Guarantees will be limited to the maximum amount that can be guaranteed by the relevant Security Provider without rendering the relevant Transaction Security Documents and Guarantee voidable or otherwise ineffective under applicable law, and enforcement of each Transaction Security Documents and Guarantee would be subject to certain generally available defenses. See "*Limitations on Validity and Enforceability of the Guarantees and the Bonds and Certain Insolvency Considerations.*"

Enforcement of any of the Transaction Security Documents and the Guarantees against any Security Provider will be subject to certain defenses available to Security Providers in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Security Provider may have no liability or decreased liability under its Transaction Security Documents and Guarantee depending on the amounts of its other obligations and applicable law.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Security Provider's obligations under its Transaction Security Documents and Guarantee, (ii) direct that the holders of the Bonds return any amounts paid under a Transaction Security Documents and the Guarantee to the relevant Security Provider or to a fund for the benefit of the Security Provider's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Transaction Security Documents and Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the Security Provider or, in certain jurisdictions, when the granting of the Transaction Security Documents and Guarantee has the effect of giving a creditor a preference or guarantee or the creditor was aware that the Security Provider was insolvent when the relevant Transaction Security Documents or Guarantee given;

- the Security Provider did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Transaction Security Documents and Guarantee and the Security Provider: (i) was insolvent or rendered insolvent because of the

relevant Transaction Security Documents and Guarantee; (ii) was undercapitalized or became undercapitalized because of the relevant Transaction Security Documents and Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the relevant Transaction Security Documents and Guarantee were held to exceed the corporate objects of the Security Provider or not to be in the best interests of or for the corporate benefit of the Security Provider; or
- the amount paid or payable under the relevant Transaction Security Documents and Guarantee was in excess of the maximum amount permitted under applicable law.

We cannot assure you which standard a court would apply in determining whether a Security Provider was "insolvent" at the relevant time. There can also be no assurance that a court would not determine that a Security Provider was insolvent on that date, or that a court would not determine, regardless of whether or not a Security Provider was insolvent on the date its Transaction Security Documents and Guarantee were issued, that payments to holders of the Bonds constituted preferences, fraudulent transfers or conveyances on other grounds. The liability of each Security Provider under its Transaction Security Documents and Guarantee will be limited to the amount that will result in such Transaction Security Documents and Guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Security Provider. There is a possibility that the entire Transaction Security Documents or Guarantee may be set aside, in which case the entire liability may be extinguished. If a court decided that a Transaction Security Documents or Guarantee was a preference, fraudulent transfer or conveyance and voided such Transaction Security Documents or Guarantee, or held it unenforceable for any other reason, the Security Agent may cease to have any claim in respect of the relevant Security Provider and would be a creditor solely of the Issuer and, if applicable, of any other Security Provider under the relevant Transaction Security Documents or Guarantee which has not been declared void. In the event that any Transaction Security Documents or Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Transaction Security Documents and Guarantee obligations apply, the Bonds would be effectively subordinated to all liabilities of the applicable Security Provider.

Rights in the Transaction Security Documents may be adversely affected by the failure to perfect it

According to the law applicable to the Transaction Security Documents Documents a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured creditor or the security provider. The Transaction Security Documents may not be perfected if the Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure may result in the ineffectiveness of the relevant Transaction Security Documents or adversely affect the priority of such security interest in favor of third parties, including a bankruptcy administrator and other creditors who claim a security interest in the same Transaction Security Documents .

In relation to certain classes of security assets, the terms of the Transaction Security Documents documents require the perfection action to be carried out only upon the occurrence of a trigger event. A failure by the Security Agent to react to the trigger event may cause the security to be unperfected, and the occurrence of the triggering event and

due perfection of the security during a suspect period before the insolvency of the security provider may expose the security to recovery.

Transaction Security Documents and Guarantees may be released under certain circumstances

In addition to the authority for the Security Agent to release relevant part of the Transaction Security Documents and Guarantees and to discharge Secured Obligations and certain intra-group liabilities in order to facilitate enforcement of Transaction Security Documents or a distressed disposal or appropriation made in accordance with the Security Agent Agreement, the Security Agent Agreement provides that in connection with a disposal of an asset by a member of the Group permitted under the terms of the secured financing under non-distressed circumstances, the Security Agent is under the Security Agent Agreement authorized to release Transaction Security Documents over that asset and where the asset consists of shares in a Group company, Transaction Security Documents and Guarantees granted by such company. Such release will impair the security interest and the secured position of the holders of the Bonds.

The Terms and Conditions of the Bonds provide that the Agent shall in certain circumstances agreed therein, take actions necessary to release the Guarantees and Transaction Security Documents or part thereof.

After any such release, depending on the scope of the release, the holders of the Bonds may become unsecured and unguaranteed and loose priority in case of foreclosure, dissolution, winding-up, liquidation, recapitalization, administrative or other bankruptcy or insolvency proceedings of any member of the Group.

V. GENERAL INFORMATION

1. Responsibility Statement

The Issuer accepts sole responsibility for the information contained in this Offering Memorandum and hereby declares, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

The Issuer, having made all reasonable enquiries, confirms that this Offering Memorandum contains all information which is material in the context of the issuance and offering of the Bonds, including all information which, according to the particular nature of the Issuer, of the Group and of the Bonds is necessary to enable investors and their investments advisors to make an assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attached to the Bonds, that the information contained in this Offering Memorandum is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Memorandum are honestly held, and that there are no other facts the omission of which would make this Offering Memorandum or any of such information or the expression of any such opinions or intentions misleading in any material respect, and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

2. Subject of this Offering Memorandum

The subject matter of the Offering Memorandum are the Bonds in the aggregate principal amount of EUR 40,000,000 in a denomination of EUR 1,000.00 each. The interest offered on the Bonds is 13%. Unless previously redeemed, the Bonds will be repaid on 7 August 2023. The Bonds are governed by Luxembourg law and constitute bonds in bearer form in accordance with Luxembourg applicable laws. The Bonds are freely transferable. The security codes of the Bonds are as follows:

International Securities Identification Number:	XS2033386603
Common Code:	203338660

3. Forward-looking Statements

This Offering Memorandum includes forward-looking statements. All statements other than statements of historical facts contained in this Offering Memorandum, including, without limitation, those regarding the Issuer's future financial position and results of operations, its strategy, plans, objectives, goals, targets and future developments in the markets in which it participates or is seeking to participate and any statements preceded by, followed by or that include the words "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "aims", "intends", "will", "may", "plan", "should" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Certain forward looking statements may prove wrong, although being reasonable at present. Furthermore there are a lot of risks and uncertainties related to the Issuer's business because of which a forward looking statement, estimate or forecast may prove wrong. Thus, the investors should urgently read the chapters "Summary", "Risk Factors" and "Information about the Issuer", which contain a detailed explanation of the

factors, which influence the business development of the Issuer and the market, in which the Issuer is active.

In consideration of the risks, uncertainties and assumptions the future events mentioned in the Offering Memorandum may not occur.

Because the risk factors referred to in this Offering Memorandum, and other factors, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Offering Memorandum by the Issuer or on its behalf, the investors should not place any reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and the Issuer undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for the Issuer to predict which factors they will be. In addition, the Issuer cannot assess the effect of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements. The Issuer does not assume any obligation to update such forward looking statements or to adapt them to future events or developments unless required by law.

4. Third Party Information

In this Offering Memorandum, the Issuer relies on and refers to information regarding the Group's business and the markets in which it operates and competes. Certain economic and industry data, market data and market forecasts set forth in this Offering Memorandum were extracted from market research and industry publications. Where such third party data has been used in the Offering Memorandum, the source of data is named.

Where information in this Offering Memorandum has been specifically identified as having been extracted from third party documents, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer has no reason to believe that any of this information is inaccurate in any material respect, the Issuer has not independently verified the competitive position, market size, market growth or other data provided by third parties or by industry or other publications.

5. Presentation of Financial Information

The financial information with respect to the consolidated statement of comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flows set forth herein, has, unless otherwise indicated, been taken from the audited consolidated financial statements of Holdco as of and for the financial year ended 31 December 2018 (including comparative financial information as of and changed in presentation for the financial year ended 31 December 2017). The consolidated financial statements of Holdco as of and for the financial years ended 31 December 2018 and 31 December 2017 incorporated by reference in this Offering Memorandum have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union ("**IFRS"**).

For better presentation purposes in the Group's operating activity, Holdco made certain changes in line item presentation in its audited consolidated financial statements as of and for the financial year ended 31 December 2018 and changed the presentation of comparative financial information for the financial year ended 31 December 2017 in the

consolidated statement of comprehensive income and consolidated statement of cash flows, as described in Note 9 to the consolidated financial statements as of and for the financial year ended 31 December 2018. These changes did not have any effect on the Group's profit for the financial year ended 31 December 2017 and the equity as at that date.

The financial information with respect to net debt and the key financial parameters set forth herein, has, unless otherwise indicated, been derived from management report included in Holdco's annual reports of 2017 and 2018, Holdco's internal accounting reporting system and Holdco's unconsolidated financial statements, prepared in accordance with the Accounting Act of the Republic of Estonia, and have been calculated based on financial information from the aforementioned sources.

Certain stated figures, financial information and market data (including percentages) given in this Offering Memorandum had been rounded up or down pursuant to generally applicable commercial and business standards. It is therefore possible that not all total amounts (total sums or interim totals, differences or figures used as reference) contained within this Offering Memorandum coincide completely with the underlying (non-rounded) individual amounts contained in other places within or incorporated by reference in this Offering Memorandum. In addition, it is possible that these rounded figures in tables do not add up precisely to form the overall total sums in the respective tables.

6. Further restrictions regarding this Offering Memorandum and the offer

No person is authorized to give any information or to make any representations other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Issuer.

Neither the delivery of this Offering Memorandum nor any offering or sale of any Bonds made hereunder shall, under any circumstances, create any implication

(i) that the information in this Offering Memorandum is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Offering Memorandum has been most recently amended, or supplemented, or

(ii) that there has been no adverse change in the affairs or the financial situation of the Issuer which is material in the context of the issue and sale of the Bonds since the date of this Offering Memorandum or, as the case may be, the date on which this Offering Memorandum has been most recently amended or supplemented,

(iii) that any other information supplied in connection with the issue of the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds are not suitable for all kinds of investors. Neither this Offering Memorandum nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer to an investor that such investor should purchase any Bonds.

The offer, sale and delivery of the Bonds and the distribution of this Offering Memorandum are subject to restrictions. In this respect, reference is made in particular to the section "Subscription and Sale" of this Offering Memorandum.

7. Documents available for Inspection

For the time of the validity of the Offering Memorandum, copies of the following may be inspected at the head office of the Issuer, 14, rue Edward Steichen, L-2540 Luxembourg, on weekdays from 9:00 am to 4:00 pm and can be obtained from the Issuer's website at https://iutecredit.com/:

- the documents specified in part XXII "Documents Incorporated by Reference" below, namely (i) 2017 Annual Report containing the audited consolidated financial statements of Holdco as of and for the financial year ended 31 December 2017 and (ii) 2018 Annual Report containing the audited consolidated financial statements of Holdco as of and for the financial year ended 31 December 2018.

VI. USE OF NET PROCEEDS

The net proceeds of the Bonds are intended to be used by the Issuer for general business purposes, including financing of growth in current and future markets as well as potential acquisitions. The Issuer will lend the proceeds to Holdco and/or the Group companies as required.

VII. CAPITALIZATION

The table below sets forth our consolidated capitalization of the Group as of 31 December 2018 on an actual historical basis. This table should be read in conjunction with "*Use of Net Proceeds*," "*Description of Certain Indebtedness*" and the consolidated financial statements of the Group as of and for the financial year ended 31 December 2018 incorporated by reference in this Offering Memorandum.

	As of 31 December 2018
	(in Million EUR)
Cash and bank accounts	**2.6**
Debt	
Current loans from non-related parties	9.3
Bonds	11.8
Current loans from related parties	0.4
Long-term loan from non-related parties	4.9
Accrued interest for loans from non-related parties	0.3
Loan acquisition costs	0.0
Non-current financing received from/through Mintos	3.5
Current financing received from/through Mintos	8.9
Accrued interest for financing received from/through Mintos	0.1
Total debt[1] [2]	**39.2**
Equity	
Share capital	10.0
Legal reserve	0.0
Unrealized foreign exchange differences	0.4
Retained earnings	2.3
Total equity[3]	**12.7**
Total capitalization[4]	**51.9**

[1] For the purposes of this Offering Memorandum, the Total debt is the sum of (i) Total loans and bonds from investors with a residual maturity of 1 to 5 years (as of 31 December 2018: EUR 17.8 million) and (ii) Total loans and bonds from investors with a residual maturity up to 1 year (as of 31 December 2018: EUR 21.4 million) as presented in the Group's consolidated financial statements.

[2] As of 31 March 2019 the total debt of the Group was EUR 51.3 million.

[3] As of 31 March 2019 the the total equity was EUR 13.7 million.

[4] For the purposes of this Offering Memorandum, the Total capitalization is the sum of (i) Total loans and bonds from investors with a residual maturity of 1 to 5 years (as of 31 December 2018: EUR 17.8 million), (ii) Total loans and bonds from investors

Except as disclosed above, there have been no material changes in the Group's consolidated capitalization or indebtedness since 31 December 2018.

with a residual maturity up to 1 year (as of 31 December 2018: EUR 21.4 million) and (iii) Total equity (as of 31 December 2018: EUR 12.7 million) as presented in the Group's consolidated financial statements.

VIII. SELECTED FINANCIAL INFORMATION AND OPERATING DATA

As of the date of this Offering Memorandum, the parent company of the Group is Holdco.

The selected consolidated financial information set forth below should be read in conjunction with the consolidated financial statements of Holdco as of and for the financial years ended 31 December 2018 and 31 December 2017, which have been prepared in accordance with IFRS and are incorporated by reference in this Offering Memorandum.

The tables below present key selected consolidated financial information for the Group and key selected financial information of Holdco as of and for the financial years ended 31 December 2017 and 31 December 2018. The financial information with respect to the consolidated statement of comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flows has been taken or derived from Holdco's audited consolidated financial statements as of and for the financial year ended 31 December 2018 (including comparative financial information as of and changed in presentation for the financial year ended 31 December 2017). The consolidated financial statements of Holdco as of and for the financial year ended 31 December 2018 have been prepared in accordance with IFRS.

For better presentation purposes in the Group's operating activity, Holdco made certain changes in line item presentation in its audited consolidated financial statements as of and for the financial year ended 31 December 2018 and changed the presentation of the comparative financial information for the financial year ended 31 December 2017 in the consolidated statement of comprehensive income and consolidated statement of cash flows, as described in Note 9 to the consolidated financial statements as of and for the financial year ended 31 December 2018.

The financial information with respect to net debt and the key financial parameters set forth herein, has, unless otherwise indicated, been derived from the management report included in Holdco's annual reports of 2017 and 2018, Holdco's internal accounting reporting system and Holdco's unconsolidated financial statements, prepared in accordance with the Accounting Act of the Republic of Estonia, and have been calculated based on financial information from the aforementioned sources.

1. Consolidated statement of comprehensive income

	Year ended 31 December 2018	Year ended 31 December 2017 (changed in presentation)
	(in Million EUR)	
Interest and similar income	22.6	8.8
Interest expense and similar expense	(3.9)	(1.5)
Net interest and commission fee income	**18.7**	**7.2**
Loan administration fees and penalties	10.5	3.6
Total loan administration fee income	**10.5**	**3.6**
Other income	0.0	0.0
Allowances for loan impairment	(10.4)	(3.2)

	Year ended 31 December 2018	Year ended 31 December 2017 (changed in presentation)
Net operating income	**18.9**	**7.6**
Personnel expenses	(3.9)	(1.5)
Depreciation/amortization charge	(0.2)	(0.1)
Other operating expenses	(6.0)	(2.2)
Total operating expenses	**(10.1)**	**(3.7)**
Foreign exchange gains/losses	0.7	**0.2**
Total foreign exchange gains/losses	**0.7**	**0.2**
Profit before tax	**9.5**	**4.0**
Income tax expense	(2.2)	(1.1)
Profit for the reporting period	**7.3**	**2.9**
Other comprehensive income		
Other comprehensive income to be classified to profit or loss in subsequent periods: Exchange differences on translation of foreign operations	0.5	0.1
Total comprehensive income	**7.8**	**3.0**
Profit attributable to: Equity Holders	**7.3**	**2.9**
Total comprehensive income attributable to: Equity Holders	**7.8**	**3.0**

2. Consolidated statement of financial position

	As of 31 December 2018	As of 31 December 2017
	(in Million EUR)	
Assets		
Cash and bank accounts	2.6	1.8
Loans to customers	48.1	20.4
Prepayments	0.3	0.03
Other assets	1.7	0.2
Other financial investments	1.5	0.01
Property, plant and equipment	0.5	0.2
Intangible assets	0.7	0.4
Total assets	**55.3**	**23.0**
Liabilities and equity		
Liabilities		
Loans and bonds from investors	39.2	17.2
Other liabilities	3.4	1.1
Total liabilities	**42.6**	**18.3**
Equity		
Share capital	10.0	0.3
Legal reserve	0.03	0.03
Share premium	0.0	0.04
Unrealized foreign exchange differences	0.4	(0.1)
Retained earnings	2.3	4.5
Total equity	**12.7**	**4.7**
Total equity and liabilities	**55.3**	**23.0**

3. Consolidated statement of cash flows

	Year ended 31 December 2018	Year ended 31 December 2017 (changed in presentation)
	(in Million EUR)	
Operating activities		
Profit of the year	7.3	2.9
Adjustments to reconcile profit for the financial year to net cash flows:		
Depreciation/amortization charge	0.2	0.1
Allowances for loan impairment	10.4	3.2
Goodwill impairment	0.3	0.0
Net foreign exchange difference	(0.7)	(0.2)
Interest and similar income	(22.6)	(8.8)
Loan and administration fees and penalties	(10.5)	(3.6)
Interest expense	3.9	1.5
Income tax expense	2.2	1.1
Cash flows from operating activities before changes in assets and liabilities	(9.6)	(3.7)
Loans received from investors	26.1	10.1
Repaid loans to investors	(10.8)	(2.6)
Change in overdraft	2.0	2.6
Paid out to customers	(81.7)	(35.5)
Total principle repayments from customers	51.3	22.3
Interest, commission and other fees received	27.5	11.0
Change in other assets	(0.5)	0.1
Change in other liabilities	3.7	0.5
Income tax paid	(1.4)	(0.9)
Interest paid	(3.7)	(1.7)
Net cash flows from operating activities	**2.9**	**2.3**
Investing activities		
Purchase of fixed assets	(0.8)	(0.4)
Net cash flow from acquisition of	(1.1)	0.0

	Year ended 31 December 2018	Year ended 31 December 2017 (changed in presentation)
	(in Million EUR)	
subsidiaries		
Receipts from other financial investments	0.01	0.0
Payments for other financial investments	(1.5)	0.0
Net cash flows from investing activities	**(3.3)**	**(0.4)**
Financing activities		
Capital increase	3.2	0.0
Dividends paid	(2.0)	(0.5)
Net cash flows from financing activities	**1.2**	**(0.5)**
Change in cash and cash equivalents	**0.9**	**1.4**
Cash and cash equivalents at the beginning of the year	**1.8**	**0.3**
Change in Cash and cash equivalents	0.9	1.4
Net foreign exchange difference	(0.0)	0.1
Cash and cash equivalents at the end of the year	**2.6**	**1.8**
Cash and cash equivalents comprises		
Cash on hand	0.0	0.0
Non-restricted current account	2.6	1.8

4. Net debt

	As of 31 December 2018	As of 31 December 2017
	(in Million EUR)	
Cash and bank accounts	2.6	1.8
Current loan from related parties	0.4	0.2
Bonds	11.8	8.4
Current loan from non-related parties	4.4	2.5
Long-term loan from non-related parties	4.9	3.0
Accrued interest for loans from non-related parties	0.3	0.1
Loan acquisition costs	0.0	0.0
Non-current financing received from/through Mintos	3.5	0.0
Current financing received from/through Mintos	8.9	1.0
Accrued interest for financing received from/through Mintos	0.1	0.0
Loan from bank	4.9	2.0
Accrued interest for loan from banks	0.0	0.0
Net debt[5]	**36.6**	**15.4**

[5] For the purposes of this Offering Memorandum, the Net debt represents the sum of (i) Total loans and bonds from investors with a residual maturity of 1 to 5 years (as of 31 December 2018: EUR 17.8 million; as of 31 December 2017: EUR 11.9 million) and (ii) Total loans and bonds from investors with a residual maturity up to 1 year (as of 31 December 2018: EUR 21.4 million; as of 31 December 2017: EUR 5.3 million) less (iii) Cash and bank accounts (as of 31 December 2018: EUR 2.6 million; as of 31 December 2017: EUR 1.8 million) as presented in the Group's consolidated financial statements.

5. Key financial parameters

The Group believes that the following key financial parameters are a useful way of understanding trends in the performance of the business of the Group over time.

a. EBITDA and Adjusted EBITDA

The abbreviation "EBITDA" stands for: "Earnings Before Interest, Taxes, Depreciation and Amortization".

EBITDA is defined as profit for the period plus tax, plus interest expense, plus depreciation and amortization and is calculated, based on figures extracted from the published consolidated financial statements as shown in the table below.

Adjusted EBITDA is defined as EBITDA adjusted by income/loss from goodwill write offs.

The Group believes these metrics are a useful indicator of its capacity to pay interest on its borrowings.

EBITDA and Adjusted EBITDA:	**Year ended 31 December 2018**	**Year ended 31 December 2017**
	(in Million EUR)	
Profit for the reporting period	7.3	2.9
Income tax expense	2.2	1.1
Forex expenses (gains)	(0.7)	(0.2)
Interest expenses	3.9	1.6
Depreciation and amortization	0.2	0.1
EBITDA	12.9	5.5
Adjustments	0.3	0.0
Adjusted EBITDA	13.2	5.5

b. Consolidated key financial parameters

	Year ended 31 December 2018	**Year ended 31 December 2017**
Net loan portfolio (in million EUR)[6]	48.1	20.4
Capitalization ratio (equity/net loan portfolio)[7]	26.4%	23.0%
Net profit margin[8]	21.9%	23.7%
ROA (profit for the reporting period/total assets)	13.1%	12.7%
ROE (profit for the reporting period/total equity)	57.2%	62.4%

[6] Gross loan portfolio (including accrued interests) deducted by provisions for loan impairements

[7] Capitalization ratio = total equity / net loan portfolio

[8] Net profit margin = profit for the reporting period / income

Assets/equity ratio	4.4	4.9
Leverage ratio[9]	2.8	2.8
Equity per share (total equity/share capital)	1.27	17.04
Earnings per share (profit for the reporting period/share capital)	0.73	10.64
Dividends paid per share (dividends paid/share capital)	0,20	1,71

c. Key parameters based on Holdco's unconsolidated financials statements

	Year ended 31 December 2018	**Year ended 31 December 2017**
ROA (profit for the reporting period/total assets)	22.2%	17.3%
ROE (profit the reporting period/total equity)	55.6%	65.0%
Assets/equity ratio	2.5	3.8
Equity per share (total equity/share capital)	1.3	17.0
Earnings per share (profit the reporting period/share capital)	0.7	11.1
Dividends paid per share (dividends paid/share capital)	0.2	1.7

6. Independent Auditors

The statutory auditors of the audited consolidated financial statements of Holdco and its subsidiaries as of and for the financial years ended 31 December 2018 and 31 December 2017, prepared in accordance with IFRS and incorporated by reference in this Offering Memorandum, was Ernst & Young Baltic AS, incorporated under laws of Estonia with its registered office at Rävala 4, 10143 Tallinn, Estonia and companies register under number 10877299 and Audit Company's Registration number 58.

Ernst & Young Baltic AS is a member of the Estonian Auditors' Association.

7. Changes in the Financial or Trading Position

Save for the increase in number of branches, volume of the loan portfolio and Group's debt and the capitalization of right of use assets and recognition of related lease liabilities under IFRS 16 *Leases*, there has been no significant change in the financial or trading position of the Issuer or the Group after the date of the audited consolidated financial statements of the Group as of 31 December 2018.

[9] Leverage ratio = Net debt (tootal interest bearing liabilities – cash) / EBITDA

IX. SELECTED PORTFOLIO INFORMATION

The selected consolidated financial information set forth below should be read in conjunction with the consolidated financial statements of Holdco as of and for the financial years ended 31 December 2018 and 31 December 2017, which are incorporated by reference in this Offering Memorandum.

The tables below present key selected consolidated financial information for the Group as of 31 December 2017 and 31 December 2018. This information is presented in EUR and has been derived from Holdco's audited consolidated financial statements as of and for the financial year ended 31 December 2018 (including comparative financial information as of and changed in presentation for the financial year ended 31 December 2017). The consolidated financial statements of Holdco as of and for the financial year ended 31 December 2018 have been prepared in accordance with IFRS.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are in million euros and gross of impairment allowances.

31.12.2018	Stage 1	Stage 2	Stage 3	Total
According to IFRS 9				
Gross loans to customers	38.8	4.7	9.2	52.7
Accrued interest from loans	5.8	0.7	1.3	7.8
Allowances for loan impairment	(3.1)	(2.2)	(7.2)	(12.5)
TOTAL	**41.5**	**3.2**	**3.4**	**48.1**

31.12.2017	Neither past due nor impaired	Past due, but not impaired	Impaired	Total
According to IAS 39				
Gross loans to customers	18.3	1.3	2.1	21.7
Accrued interest from loans	0.0	0.5	1.7	2.3
Allowances for loan impairment	0	0	(3.6)	(3.6)
TOTAL	18.3	1.8	0.3	20.4

The expected credit loss model follows a "three-stage" approach based on changes in the credit quality of the financial instruments since their initial recognition.

Group used the next classification into stages:

- Stage 1 – all non-defaulted loans with DPD<=5 (DPD - Days Past Due)
- Stage 2 – all non-defaulted loans with DPD>5 <=50
- Stage 3 – all defaulted loans (DPD>50)

In 2017, the Group established allowances for credit losses incurred using the net present value ("**NPV**") method. This method was based on the estimated number of years during which debts were collected, the discount rate and the estimated percentage of defaulted loans that were reclassified to loss.

The Group divides its operating activities in segment according to its geographic location. The income of reported segments do not contain transactions between the segments.

X. BUSINESS

1. Overview

IuteCredit is a leading consumer loans provider established in 2008 and based in Tallinn (Estonia). It operates in Europe and the Balkan Peninsula. The financial product offering of Iute consist of: shop loans (point of sales), cash loans (instalment loans), car loans and credit cards. Our potential lies in a broad targeted customer base with demand for low - to mid-value consumer goods including cars. Our business model is built around high demand for personal finance solutions in under-banked markets with high GDP growth and low public/private debt.

AS IuteCredit Europe ("**Holdco**" or "**ICE**") is a company specialized in consumer credits via its 100% subsidiaries using equity and loan capital. As of the date of this Offering Memorandum, ICE has nine subsidiaries: IuteCredit Finance S.à r.l., in Luxembourg, O.C.N. "IUTE CREDIT" S.R.L. ("**ICM**") in Moldova, IuteCredit Albania SHA ("**ICA**") and IutePay Albania SH.P.K. ("**IPA**") in Albania, IuteCredit Kosovo J.S.C ("**ICK**") in Kosovo, IuteCredit Macedonia DOOEL–Skopje ("**ICNM**") in North Macedonia, IutePay Bulgaria EOOD ("**IPB**") and IuteCredit Bulgaria EOOD ("**ICB**") in Bulgaria and MKD IuteCredit BH d.o.o. Sarajevo ("**ICBH**") in Bosnia Herzegovina. ICE, ICM, ICA, IPA, ICK, ICNM, IPB, ICB and ICBH together form the "**Group**" or "**IC**".

ICM, ICA, IPA, ICK, ICNM, IPB, ICB and ICBH are hereinafter referred to as "**Subsidiaries**."

IuteCredit currently operates in Albania, Moldova, Kosovo and North- Macedonia through 19 branches, with more than 720 post offices and 2,000 point of sales (retailers). IuteCredit Bulgaria EOOD and MKD IuteCredit BH d.o.o. Sarajevo in Bosnia Herzegovina will be operational and start business during the year 2019.

In the third semester of the year 2018, ICE raised EUR 3.2 million as equity capital. Shares of ICE were issued to the current shareholders as well as to new investors and management teams. Since its inception, IuteCredit has issued bonds for more than EUR 14 million.

IuteCredit is a profitable company since the beginning of its operation in 2008. It recognizes that the timeframe is short and it continues its efforts to build a long-term uninterrupted history of profitable growth.

The goal of IuteCredit is to create the extraordinary customer experience in personal finance by exceeding customers' expectations. It provides lending products to customer not served by the traditional banking system.

As of 31 December 2018, 300 people including the management and IT team were able to serve 150,000 active loan customers and work with pool of more than 300,000 customers, by doing more than 200,000 manual work operations (customer contacts, inquiries and checks) per month. Its work process is highly automatized, to allow people do what the humans are best at: customer interaction. IuteCredit itself compares its internal work processes in originating and maintaining the loans to work processes of a modern car manufacturer.

2. Key Strengths

a. Sustainability and simplicity

Iute focuses on providing comfortable and secure lending to its customers. The products offered are designed to serve the needs and requirements of customers through detailed and safe creditworthiness check via public databases (government institution databases, debt collection agencies, bank statement providers, Central Bank registries and many

others). Our process and procedures are based on simplicity and effectiveness. The average approval time for a loan application is usually 10 minutes with a minimum effort for a customer. Once approved and in the database, the process becomes even simpler and waiting time decreases. Offering immediate loan application and being the fastest and the most comfortable is what separates us from the competition.

The proven effectiveness and strong experience gained in lending into unbanked and underbanked markets allows us to expand fast and apply best practices from existing into the new markets.

b. Transparent products

Loans we offer have a term from 1 to 60 months and the amount offered varies depending on the income, the monthly payment requirements and the reliability of the customer. This implies that a customer can choose the amount needed, select minimum monthly payment and choose the payments dates.

All of our products are available to our customers through online and offline channels such as branches network, website and call center. Regardless of the medium and their convenience, our products and way of work allows a customer to have a clear insight into terms and conditions, privacy policies, pricing, and repayment model, as well in any additional concern or question they may have and is related to rules and procedures, product specification and how the lending in general works.

c. Being always present and everywhere

We are available 24/7, either online, by mobile phone or in one of our offices during open hours. We strive to offer automated approval process to our customers and expand our presence through partner/dealership network and cover as much territory as possible. Wherever our branch is not present we have our partners covering our customer needs for smooth and fast application processing. We tend to be available 24/7. But if 24/7 is limited because of some of our partners (banks, shops, etc), then we process the application on the next working day. Partnership/dealer network is of high importance to us and cherishing this relationship brings an additional value to our customers. Through our network, we also offer specific type of loans for specific purchases such as electronics, used cars, house repair materials, furniture and different consumer services. By constantly improving our internal systems and making them aligned with local regulations we try to make the process more and more automatized. As of the end of 2018, in 4 countries total – Albania, Kosovo, Moldova and North Macedonia, we had a network consisting of 19 branches, 720 + post office locations, and 2056 partner shops. We constantly try to onboard new partners and expand our network in order to offer and expand our services to as much customers as possible.

d. Experience for better competitiveness

IuteCredit Group and local team members come from different industries, mostly banking, finance, and sales. The wealth of their background, experience and profiles enables us to think creatively and move forward by utilizing the best practices and know how's with the positive output by enabling us to be even more competitive in the market.

As a Group, we aim to serve millions of customers and that means constant strive to attract the best talent, implement the best technology, develop the best organization and bring the best out in each team member. Money is the outcome of right actions, but at foremost we as a team enjoy ourselves in pursuing the right actions and overcoming the challenges.

e. Trust leads to success

Customers are our focus. Our work and products are designed around the customers' needs. We are constantly improving, becoming faster and more reliable for our customers, partners and employees. With a personalized approach, custom made products, valuing employees, contributing to the community, we tend to make a difference and create a positive impact in the society where we operate. We are trusted by more than 350,000 customers over the years. The amount of trust and good work that we do, is shown through a recent research conducted in the beginning of 2019, where we asked general population in countries of operations questions related to our visibility, trust, awareness, and creativity. We have also gained an insight how we rank with competition as well. Results obtained during this research show that the work we are doing and services we are providing are making significance to our customers.

In Moldova, where we operate for 10 years and in a highly competitive market, results show that awareness of the Iute brand is 84.6% of the interviewed people; in Kosovo (2 years of operations), brand awareness is 52%; Albania (5 years of operations), result is 37.4%, and in North Macedonia (3 years of operations), total brand awareness result is 29.8%.

Sample of interviewed people has been conducted between 0.02%-0.05% of the total population in cities where we have our branches and established presence. Randomly selected people for the research purposes were taken out from all demographic segments, without necessarily being customers of IuteCredit.

Customer Performance Index ("**CPI**") is a unique index developed by IuteCredit. CPI measures customers' actual duly repayments against the expected repayments according to the original repayment schedules of loan agreements within a tolerance period for repayment delays (technical delay), which is normally 30 days ("**CPI 30**"). It is a cashflow- and reality-centric indicator that avoids evergreening illusions or illusions that may arise from inadequate provisioning. CPI 30 is normally a so called "technical delay". CPI 50+ (DPD 50+) is recognized by IuteCredit as NPLs. For cash loans, IuteCredit reached a CPI 30 ratio of 84.9%. For dealer loans and car loans, IuteCredit had a CPI 30 performance of more than 90%. Car loans (secured) are still very fresh products and further improvement is expected. IuteCredit reached their CPI 30 target set for 2018 (> 88%) on the Group level. That means, during 2018, more than 88% of expected loan repayments were performed according to the loan agreements, or within a maximum 30 days delay. The CPI 30 targets for 2019 will remain to be 88%, with a significant increase of the net loan portfolio.

3. Strategy

Iutecredit strategy is to become the leading customer centric lending company that focuses on providing loans and credit to people in need of obtaining funds in a fast and comfortable way by using different channels, partners and providers for application processing and pay out of funds. Our main concentration of customers currently lies in Eastern and South Eastern European countries such as Moldova, Albania, North Macedonia, Kosovo, and Bosnia Herzegovina, with the credit card and IT support in Bulgaria through IutePay that is solely responsible for technical functioning, implementation and support in systems and processes of the whole Group.

The future of personal finance will be based on installments. That is, subscription and pay-as-you-go based economy will expand along with development of technology and regulatory frameworks. In history, the humankind has moved from long-term and big subscription based deals, such as mortgage, into smaller units, such as car leasing, and we see further movement towards even smaller transactions: to the effect where it is common to split the regular monthly income fully between various subscriptions. Some of those subscriptions

can be credit repayments. The goal is to make subscriptions very easy, seamless part of everyday life and everyday consumption.

ICE is responsible for the strategic management of the Group including:

- Strategic targeting;
- organizational structure and manning of management teams;
- human resource and customer experience framework rules and targeting guidance;
- financial management framework rules and targeting guidance;
- sales and marketing framework rules and targeting guidance;
- service process design and technological development;
- risk management, including loan products approval and general compliance framework;
- data harvesting;
- the Group's financing and investor relations.

The Subsidiaries offer the services to the customers and develop the business on the local competition field according to strategic guidance, framework rules, finance and technology provided by ICE. The Subsidiaries have local teams, local customer pools, local loan portfolios and develop local investor relations and relations with regulatory authorities and partners.

ICM is in operation since August 2008, ICA since April 2015, ICNM since September 2017 and ICK since October 2017. IPB performs as technology operations cost center and cards service center.

We as a Group are actively seeking new markets where to offer our services and we are constantly looking for ways how to be closer to our customers.

IuteCredit's mission is to offer the best experience to its customers in the field of personal finance. The customer's daily needs are met in an easy and seamless way. Further, the provided services are also fast and comfortable. IuteCredit also believes in human interaction. Robots and Fintech are helpful; however they are not the exclusive answer to the finance questions and issues that may be encountered by the customers. Besides the assistance of technologies, there is a necessity for human interaction to properly address the customer's needs: Nothing replaces the sincere human smile and attention.

4. Products

Iute's loan products are unsecured consumer loans with a term between 1 month and 36 months and car-secured loans with terms of up to 60 months. The amounts of the loans provided by Iute to its customers are between EUR 25 and EUR 10 000 having annual percentage rates (APR) between 30% and 240% depending on the loan amount, maturity and the type and status of the relevant customer.

Iute aims to serve only clients with a permanent workplace and stable income. Disbursements of the loans are based on personal identification and personal credit rating. For a new applicant, the credit rating depends on comparison of the applicant's relevant parameters with respective parameters of performing and poorly performing statistic client groups and certain databases. In this regard, 57% of new loan applications in Moldova, 69%

in Albania, 50% in North Macedonia and 46% in Kosovo have been approved. For returning customers, we apply personal credit rating which is based on individual performance data. More than 60% of loan applications across the Group have been approved.

Loans are handled via an agent network (such as shops, money transfer companies, postal agencies) and our own retail offices. By the end of 2018, we had 21 of our own retail branches. Iute handles money only via bank accounts and does not perform cash operations. However, certain agents of Iute perform also cash operations and assume the related risks.

Clear product offer

Product	Dealer loans	Cash loans	Car loans	Credit card
Share of portfolio	42%	55%	3%	0%
Loan amount	• Up to EUR 2,500	• Up to EUR 2,500	• Up to EUR 10,000	• Up to EUR 2,500
Term	• Up to 36 months	• Up to 36 months	• Up to 60 months	• Up to 36 months
Min – Max loan size	• EUR 25 – 2,500	• EUR 25 – 2,000	• EUR 250 – 10,000	• EUR 25 – 2,500
Min – Max APR	• 28 – 150%	• 24 – 240%	• 30 – 150%	• 24 – 240%
Payment structure	• Fixed monthly payments	• Fixed monthly payments	• Fixed monthly payments	• Fixed monthly payments
Issuance comission	• Average 10%	• Average 27%	• Average 11%	• Average 10 - 27%
Markets	Moldova, Albania, Kosovo, North Macedonia	Moldova, Albania, Kosovo, North Macedonia	Moldova, Albania, Kosovo	Moldova, North Macedonia
Distribution channels	• Partners	• Online • Branches • Partners	• Online • Branches • Partners	• Branches

5. Marketing

a. Overview

ICE, through the subsidiaries, is focusing on 360 degree marketing through online and offline marketing activities. The goal of marketing is mainly focused on acquisition of new clients through various campaigns and variety of marketing channels, specific to the target country.

Our marketing activities are targeting all the users above 18 years of age, who are permanent residents of designated countries with a provable income, and employment.

Main marketing messages used as an advantage in communication and attracting attention are the speed, comfort and ease of application process.

We gained the majority of our customers through referrals from some of our biggest retail partners online and offline channels, while other customers are being more traditional and coming through our wide network of branches where the applications are being handled on the spot.

Part of the marketing strategy that involves retail partners is that together with them we are doing co-promotions and joint campaigns in order to promote special deals and reach out to a higher number of potential customers. Our biggest retail partners in markets where we operate are: Deutsche Telekom, Orange, Vodafone, IPKO, Post Offices, Home Appliance and furniture retailers – Neptun, Bomba, JYSK, etc. We are cooperating as well with small shops and at the same time we help them with marketing activities and provide guidance and support.

b. Organization

Iute has actively started in developing and establishing a solid marketing team, consisting of internal and external teams, agencies, freelancers and service providers. The marketing department organization is divided between the Group and local marketing pools. The Group marketing department is mainly in charge of guiding, strategizing and onboarding, while the local marketing department is mainly in charge of the implementation of the Group strategy, localization and active participation in local activities relevant to a given Group entity, such as – CSR, Sponsorship, PR, and marketing implementation. The Group is working hard on more centralization of marketing and shifting focus more and more to online and through retail partners.

c. Mapping of channels

When it comes to mapping, we put our focus in online and offline marketing channels and activities.

Online channels are:

- Website;
- Social Media – Facebook, Instagram, Ok.ru, VKontakte;
- Search Engines – Engine Marketing;
- Local Online Media – Local Web Portals;
- Marketplaces – Websites for selling various products;
- Email Marketing.

Offline channels are:

- TV Stations and Radio;
- OOH – Billoboards, City Lights, Buses, etc;
- BTL Activities;
- SMS ;
- CSR and Events.

The marketing teams are also in charge for aftersales activities for our existing customers. In aftersales campaign we use remarketing/retargeting techniques to reach an upsell the existing database for new products or to products that have higher amounts. The criteria that we apply is based on the proven creditworthiness of a customer. Main channels for AS campaigns are SMS and Viber messages alongside other online channels.

As part of our marketing strategy, IuteCredit being the fastest and most comfortable loan provider also focuses on supporting local communities and events that are of high value to the society, and that has high reach and visibility. Alongside, we are also aiming for the events that are connected with speed and being fast. Some of these events are:

- Sponsoring the Olympic Committee and the Olympic Team of Kosovo;
- Sponsorship of Chisinau Running Marathon;
- Sponsorship of Real Madrid School for youngsters in North Macedonia;
- Sponsorship of Tirana Marathon.

The total marketing budget for the year 2019 allocated to the 5 countries in which we are active is approximately 2,6 million EUR.

6. Geographic Markets

AS IuteCredit Europe ("**ICE**") is a company specialized in the provision of consumer credits via its 100% subsidiaries using equity and loan capital.

As of 31 December 2018, ICE had six subsidiaries: O.C.N. "IUTE CREDIT" S.R.L. ("**ICM**") in Moldova, IuteCredit Albania SHA ("**ICA**") in Albania, IuteCredit Macedonia DOOEL–Skopje ("**ICNM**") in North Macedonia, IuteCredit Kosovo JSC ("**ICK**") in Kosovo offering consumer loans products.

The representative office MKD IuteCredit BH d.o.o. Sarajevo ("**ICBH**") in Bosnia Herzegovina and IuteCredit Bulgaria EOOD ("**IPB**") in Bulgaria will be operational and start business during the year 2019.

IutePay Bulgaria EOOD ("**IPB**") in Bulgaria is the Group operations cost center and cards competence center and did not generate revenue during the year 2018.

ICM operates since August 2008, ICA since April 2015, ICNM since September 2017 and ICK since November 2017.

Investments in subsidiaries

Subsidiary	Country	Acquisition Date	31.12.2018	31.12.2017
IuteCredit SRL	Moldova	28.11.2008	100%	100%
IuteCredit Albania SH.A	Albania	04.08.2014	100%	100%
IuteCredit Macedonia DOOEL	North Macedonia	24.07.2017	100%	100%
IuteCredit Kosovo JSC	Kosovo	07.02.2017	100%	100%
IutePay Bulgaria EOOD	Bulgaria	12.12.2017	100%	100%

7. Credit and Risk Management

a. The Credit risk

The Credit risk is based on the likelihood of the counterparty not meeting its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from issued loan agreements).

b. The Risk management

To manage IuteCredit's credit policy and portfolio risks, the Group has a credit committee (the "**CreCo**"). The CreCo defines which loans are issued and to which customer groups.

There are two levels of CreCo: (i) the Group CreCo and (ii) the subsidiaries CreCo. The Group CreCo has authority over the following decisions: to determine the competence of the subsidiaries CreCo, to determine the loan parameters (the "**Loan Parameters**"), to determine the loan application checking and approval procedure (the "**Checking Procedure**"), and to determine the overdue procedure (the "**Overdue Procedure**").

The Group CreCo members are the Group's CEO (Chief Executive Officer), the Group's HRCXO (Chief of Human Resource and Customer Experience), the Group's CFO (Chief Financial Officer), the Group's COO (Chief Operations Officer), the Group's CCO (Chief Commercial Officer) and the Group's CRO (Chief Risk Officer). The Group CreCo's work is organized by the Group's CRO and its records and decisions are maintained and communicated by the Group's CRO.

The Group CreCo makes decisions at the request of the local subsidiary's management or on its own if necessary.

The subsidiary CreCo consists of local management team or other relevant positions.

Every IuteCredit subsidiary monitors periodically (standard report is made monthly) repayment statistics. The Subsidiaries make all relevant portfolio analysis. Based on this data, the Subsidiaries make strategical decisions.

IuteCredit uses following main methods for monitoring the portfolio quality:

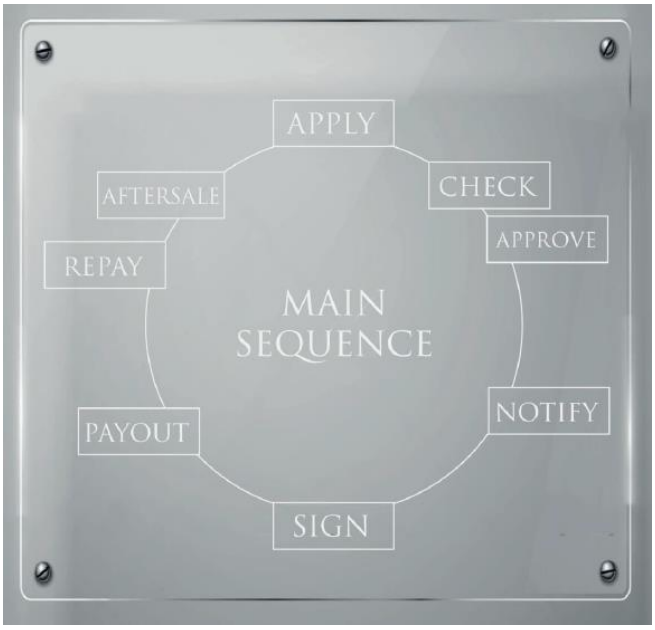
CPI (Customer Performance Index): this is the ratio of amount actually repaid by the customer to the amount expected to be repaid by the customer according to Installment plan. CPI = actual$/expected$. The Actual repayment can be accounted with different time tolerances, measured in days from the day the repayment of the principal and primary fees was scheduled according to Installment plan. For example, if the scheduled date is 15 November and the customer makes the repayment 30 days late (15 December). If the tolerance is of 30 days, then, with a tolerance of 30 days, the repayment would still be accounted as the repayment would still be accounted as an actual repayment of that particular expected repayment. If the tolerance was 0 days, then that repayment of 15 December could not be accounted as an actual repayment, it is too late. CPI is usually expressed with its tolerance index in days (for example CPI0, CPI30, etc). By default, CPI expresses the ratio of actual to expected repayments of principal and primary fees. By default, unless otherwise clearly stated otherwise, the tolerance is 30 days ("**CPI30**" and "**CPI**" mean the same thing.)

DPI (Defaulted Performance Index): the ratio of actually repaid debt by defaulted customer against expected total debt repayment that was determined at the moment of the termination of the relevant loan agreement ("**T**"). the expected total debt includes, in addition to the outstanding principal and primary fees, also secondary fees as penalties stemming from the delayed repayments and termination of the loan agreement. DPI = actual$/expected$. Actual repayment can be accounted with different time tolerances, measured in days from the moment of T. DPI is usually expressed with tolerance index (for example DPI30, DPI180, etc). If the collection is made within first 40 days, then it counts for the purpose of DPI180, but not for the purpose of DPI30.

8. Underwriting and Review

a. Overview of the underwriting and review process

The underwriting policy of IuteCredit is generally described with a main sequence.



This main sequence is the description of the main loan process steps, the order of the steps and the interrelation between those steps. It is also a map to understand the business process and how this process is further improved. The Company creates an extraordinary customer experience. It produces the loans, and improves itself through the main sequence, as the experience gathered is carried on and IuteCredit improves constantly the process.

The main sequence proceeds as follows: The major steps are designated with the box. Each process step (each box) follows the previous step (previous box). One cannot proceed to the next step without completing the previous step. All the process steps together form a continuous revolving circle, creating a repeated customer experience. Each step can involve or trigger various sub-sequences and formats. The repay step, for example, can trigger both the aftersale step (if the repayments are properly executed) or the reminder step, or even the collection step (if the repayments are not executed properly). Every step can be measured by its speed, its efficiency or by other parameters.

Every step consists of a set of manual operations ("**MAN/OP**") and by robot automated operations ("**AUT/OP**"). The manual operations refer to the operations made by the user. They are registered when the user presses the respective button (for instance: when the user presses the green button "submit loan application"). By "Continuous improvement", it is meant that incremental changes inside each of those process steps are made. By the use of the main sequence, problems and opportunities are located and described. Some of the main sequence steps, or even all of them, may happen instantly. Hence, the user perceives everything happening simultaneously, within the same second. Internally however, the Main Sequence works, as said, "in sequences."

The steps in the main sequence are the following: (i) the apply step, (ii) the check step (iii) the approve step, (iv) the notify step, (v) the sign step (vi) the pay-out step, (vii) the repay step and, (viii) the aftersale step.

The first step is the customer's application for the loan. The application can be done from different locations and using different technologies, depending on the local market (*e.g.*: web application, application at the Iute branch, application at a shop, application on a smartphone, application by phone call). Once the apply step is completed; the loan application is entered into Iute's CRM. This process triggers the following step: the check step.

b. Checking the loan application (the check step)

The second step concerns the verification of the data. The information, coming from the loan application, other IuteCredit databases and external data, is examined. The verification can also involve various technologies and various manual or automated operations, depending on both the customer and the loan application. It is a necessary step, before the loan can be approved. The check step is finalized when the verification of the data to make the loan is confirmed. That does not mean that the data is positive, the check covers only gathering the data, a decision is not taken at that step. This step triggers the approve step.

c. The loan approval (the approve step)

After the data has been checked, the loan is approved, and thus issued, or it is rejected, and not issued. The approval involves various technologies to make the decision to approve or disapprove the loan.

d. The notification (the notify step)

The notification is the feedback given by IuteCredit to the customer on his or her loan application, in terms of whether the loan is available or not. That is the first part of perceivable customer experience after the customer has expressed his or her wish for a loan. The question remains of how fast the customer gets the IuteCredit's response. IuteCredit pays full attention to accelerate and continuously improves its loan origination process. The customer always receives a notification, whether the loan is approved or not. This step triggers the following step, the signing of the loan agreement.

e. Signing and concluding of the loan agreement (the SIGN step)

This step concerns the concluding of the loan agreement. Until sign, the process is non-binding where IuteCredit has promised to give a response to customer's request and follow the consumer protection rules and data protection rules. After the signature, the contract loan is legally binding, meaning it has to be executed by the two parties, IuteCredit and the customer. Depending on the country and the law, this can be done using various technologies and from different locations (For example: by the historical way of printing out, signing at office with ink, and scanning the printed loan agreement into CRM; or by the modern way of signing digitally, using mobile platforms). After the sign step, the pay-out step starts.

f. The loan disbursement (the pay-out step)

The agreed loan is disbursed to the customer in the agreed manner on the agreed time. This step can be completed through the use of various technologies and platforms. The most classic form of pay out (from IuteCredit's Bank account to the Customer's bank account) is also the least used. More often, it is completed in the form of handing over the purchased goods at the shop to the customer, the disbursement of cash over the counter of IuteCredit's partner such as the post office, or an increase of the available balance on the customer's debit or credit card. IuteCredit does not handle cash operations itself. The next step is the repayment step.

g. The repayment step

Once the pay-out has been completed, the customer will have to start paying the agreed loan back, in the expected time, the agreed amount to the respective account to IuteCredit. This can be done through various platforms and technologies, depending on the market and the legislation. For instance the repayment from the customer's bank account to the IuteCredit bank account, the repayment of cash through ATM's, repayment in cash over the

post's counter. If the repayment does not meet the agreed amount, it can lead to (a) a reminder process, (b) an internal collection process or (c), an external collection process. In case the repayment as accounted does meet the agreed amount, the next step will be the aftersale step.

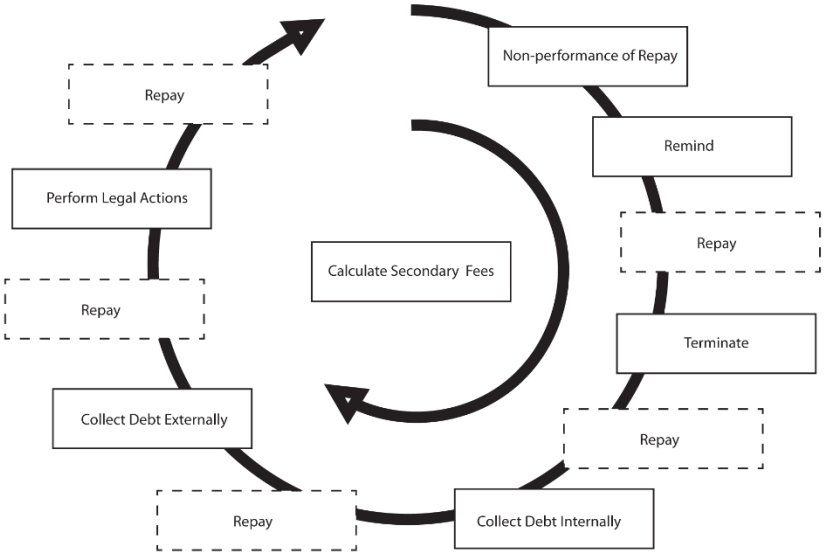
h. The aftersale step

The aftersale is the Iutecredit-initiated attempt to generate the Customer's interest towards a new loan, probably in a bigger amount and in financially more favorable conditions. This would than trigger a new loan application again.

Each subsidiary has its own country-specific checking procedure where underwriting steps are described more detailed way.

9. Portfolio management and overdue sequence

The overdue sequence looks as follows:



The overdue sequence is carried out in a series of steps. Only customers failing to repay (see *the repayment step* of the *main sequence*) initiate the overdue sequence. Once engaged into the overdue sequence, the customer proceeds with the steps in order. However, if the customer manages to repay fully the delayed installment before termination of contract, the customer does not continue. He or she exits the overdue sequence and rejoins the main sequence. If the repayments are made after the termination of the contract, the customer exits the overdue sequence but does not rejoin the main sequence.

On the chart, the process steps of the overdue sequence are represented by a box. Each process step (each box) follows the previous step (previous box). It is not possible to proceed to the next step without having completed the previous step.
The dotted boxes that can be observed are conditional steps. If the customer repays according to the expectations, then the customer exits the overdue sequence. If the customer does not repay, then the he or she stays in the overdue sequence. The following step then applies. It should be noted that the overdue sequence is unfinished; it's not a continuous revolving circle.

The overdue sequence's steps proceed as follows:

A. REPAY

The repayment step means that the customer has paid back the loan. As previously mentioned, the customer exits the overdue sequence.

B. REMIND

It is the action of recalling the obligation to make primary and secondary repayments pursuant to the loan agreement. This step consists of reminder calls, reminder Texts and reminder letters. These actions are performed by CAs. Different tools can be offered to the customers for convenient repayments: Suspension and Restructured loan.

C. TERMINATE

When the customer has failed to perform his contractual duties, IuteCredit can unilaterally terminate the single loan agreement.

D. COLLECT DEBT INTERNALLY

It is the step where all receivables (both primary and secondary repayments) are collected from defaulted loans/defaulted customers within predetermined time frame. The Collection is made by IuteCredit employees - internal debt collectors - who can offer Reconciliation to customers for convenient repayment. If this step is unsuccessful, the loan in default is handed over to External Debt Collection.

E. COLLECT DEBT EXTERNALLY

All the receivables (both primary and secondary repayments) from defaulted loans/defaulted customers are collected within a predetermined time frame after Internal Debt Collection has handed over the loan in default. The collection is made by specialized debt collection companies.

F. PERFORM LEGAL ACTIONS

In case needed, IuteCredit proceeds within the court system. If the customer is still in breach, IuteCredit's protects itself's rights from being violated.

10. Competition

Even though IuteCredit is acting in jurisdictions that are currently underbanked, in certain markets it would also compete with financial institutions, such as banks, credit unions and other consumer lenders offering similar financial services offering loans.

Albania

The biggest competitor of IuteCredit in the Albanian market is Fondi Besa. Fondi Besa offers a wide range of loans, including business loans, green loans, agricultural loans, consumer loans and tourism loans.

Fondi Besa's mission is to contribute to the country economic growth in the urban and semi urban areas, by promoting and financing the small and medium enterprises sector in Albania. Clients of Fondi Besa are people from all socio-economic layers, including unemployed persons and start-up businesses.

It operates in 80 offices and covers more than 80% of Albanian urban and semi urban areas.

Bosnia Herzegovina

The biggest competitor of IuteCredit in the Bosnian market is Mogo Leasing doo. Mogo Leasing doo focuses on car loans.

Mogo Leasing doo is part of Mogo Finance group. The Group provides leasing services for the purchase of used cars and a leaseback service for all brands and models of vehicles, without limitation of the age of the vehicles, with clear conditions and a long repayment period.

The Mogo Finance group is a reliable partner offering lending and leasing services to its customers in Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Moldova, Belarus, Armenia, Bulgaria, Albania and North Macedonia. Over 60,000 satisfied customers have chosen their services so far.

Moldova

The biggest competitor of IuteCredit in the Moldovan market is Sebo. Sebo focuses on consumer loans.

Sebo is a non- bank credit organization in Moldova and specialized on non-guaranteed short and long term loans. Sebo is working to build and expand the branch network to be available to customers, both in the city of Chisinau and in other regions.

Kosovo

The biggest competitor of IuteCredit in the Kosovan market is KEP. KEP offers business loans, express loans, agricultural loans and housing loans. Beside the main center in Pristina, KEP has established a network of 31 branches across the country.

KEP’s mission is to improve the standard of living and support the country's economic development by providing financial services to individuals and businesses.

KEP is registered with the Banking and Payments Authority of Kosovo (now the Central Bank of Kosovo) since 2000 and since then is operating as a local microfinance institution.

North Macedonia

The biggest competitor in the North-Macedonian market is Forza, which is part of Finstar Financial group and is focused on consumer loans.

Finstar Financial group is a global private investment group operating in Europe, the United States of America, Asia, Latin America and the CIS, which is mainly focused on FinTech, but has been building a reputation as a successful company in the financial services, information technology (IT) , lending to the population, the media and the real estate sector.

Digital Finance International is a new company in Finstar holding Finstar's investment and offers a wide range of lending products and services on markets around the world, and specifically focuses on emerging markets in order to meet customer's financial needs.

11. Information Technology

IuteCredit IT department supports the full life cycle, product development and optimization of a loan. Its primary target is to ensure technological advantage and secure leading market

positions in the countries IuteCredit is operating. It consists of 3 pillars which support the business: technologies, processes and organization.

Technologies

IuteCredit uses 4 primary technologies which are managed at a group level – the Loan Engine System (the "**LES**"), the Customer Experience System (the "**CXM**"), the Report Center (the "**RC**") and the Card Management System (the "**CMS**").

The LES is the core system which is used to handle the main sequence. Identical LES instances are used for all ICE subsidiaries where any differences in the processes are covered with parametrization. It is the main tool for customer advisors (the "**CA**"). LES covers all main steps in the loan process, loan application, checking, scoring, notifying, signing the loan agreement, payout (disbursement), repayments and aftersales. One of the functions of LES is to measure the individual and the process performance. It is developed and customized by an internal development team. This ensures a high level of flexibility when it comes to customer requests, it keeps the knowledge inside the organization and protects the IuteCredit intellectual property.

CXM is a central data warehouse for storing customer profiles from all countries. It is based on Salesforce, a leading platform-based solution for the management of customer interaction, sales, marketing and variety of other business processes.

Interaction with customers is provided by an omni-channel communication, to cover the aftersales process.

The HR system of IuteCredit is based on CXM. It is used for the employee management in all subsidiaries of IuteCredit and provides an overview and central access to all employee's records and statistics. The partner relationship management system is also based on CXM. It is used to manage the relation with partners in all subsidiaries.

RC is the IuteCredit Business Intelligence (the "**BI**") tool. It is based on a Qlik Sense reporting technology which is one of the leading reporting tools. It centralizes the reporting from all systems, including LES, CMS, CXM and the call center and provides reports and functions for all subsidiaries, meaning financial, operational, risk, sales, HR and customer experience reporting.

CMS is the technology holding the IuteCredit cards in North Macedonia. It provides card authorization services and records the card transactions. The technology of CMS is based on an Aseco product which is widely used in Europe.

With regard to security aspects, IuteCredit systems are stored in a virtual data center in Amazon. Availability of the systems is ensured on several levels, (i) the Primary DC is replicated to a second availability zone in Amazon which is in a remote location, (ii) the virtualization technology for servers and (iii) the container virtualization for micro services. All of these technologies contribute to the 24/7 availability of the systems. The Amazon cloud service ensures an automatic backup of all system and the transportation of backups in a remote location as required by the financial regulations in most of ICE operations. Further, incident recovery protection is covered by Amazon high availability zones which ensure that in such cases the systems can be restored in short time in an alternative Amazon data center in Europe.

IuteCredit follows best practices to set up the isolation and protection of data in the data center. A firewall is used to protect the system from potential hacker's attacks. In general,

the systems heartbeat is monitored 24/7 by automated systems which will alarm in case of incidents.

Processes

The IT department of IuteCredit has established several processes to govern the Group IT operations. It is focused on the efficient delivery of IT services, being fast delivery of changes, incident resolutions, bug free development, protection of the systems and a high IT security protection.

The main IT processes of IuteCredit contain (i) change management, (ii) incident management, (iii) development, (iv) maintenance, (v) administration, (vi) corrections, (vii) outsourcing, (viii) main sequence design and (ix) optimization.

Organization

The IT team is a mix of experienced professionals, product owners, developers, testing engineers, system architects, business analysts and process manager. The whole team is focused on the delivery of fast and stable solutions. The core team is only operating internally for Iutecredit to ensure that the knowledge is kept within the organization and to protect the IC knowhow.

12. Intellectual Property

IuteCredit's activity is predominantly carried out via our internet platform. The table below sets forth the websites currently used by the Group to provide its services through the internet platform. The content of these domains is not part of this Offering Memorandum.

Owner	Website	Country
AS IuteCredit Europe	iutealb.com	Albania
AS IuteCredit Europe	iutecredit.al	Albania
AS IuteCredit Europe	iutecredit.ba	Bosnia Herzegovina
AS IuteCredit Europe	iutecredit.com	Estonia
AS IuteCredit Europe	iutecredit.mk	North Macedonia
AS IuteCredit Europe	iutecredit.org	Kosovo
AS IuteCredit Europe	iuteks.com	Kosovo
AS IuteCredit Europe	iutemk.com	North Macedonia
AS IuteCredit Europe	iutecredit.md	Moldova
AS IuteCredit Europe	iutecredit.bg	Bulgaria

We have Iutecredit figurative and word trademark registered in EUIPO under classification 36. We had previously registered trademarks locally in each country, i.e., we registered Iutecredit figurative trademark in the European Union and Moldova. We have taken another approach and registered trademarks through WIPO for those countries which are members to it, while for the other countries we still register trademarks within the local trademark regulatory framework. At the moment we have WIPO registration processes opened in Albania, Bosnia Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo.

Trade mark	Territory	Trade mark status	Applicant name
IUTECREDIT	EU	Registered	IuteCredit Europe AS
	EU	Registered	IuteCredit Europe AS
	Moldova	Registered	AS IuteCredit Europe
	Moldova	Registered	AS IuteCredit Europe
IUTECREDIT	WIPO: Albania, Bosnia Herzegovina, Montenegro, North Macedonia, Serbia	Pending	AS IuteCredit Europe
			
			
	Kosovo	Pending	AS IuteCredit Europe

XI. INFORMATION ABOUT THE ISSUER

Corporate Information

The legal and commercial name of the Issuer is IuteCredit Finance S.à r.l..

The Issuer was incorporated on 20 May 2019, under the laws of Luxembourg as a private limited liability company (*société à responsabilité limitée*) with unlimited duration under the legal name of "Leeview Properties". Holdco as sole shareholder of the Issuer acquired all the shares in issue in the Company following a sale and purchase agreement dated as of 1 July 2019.

The legal name of the Issuer has been changed from "Leeview Properties" to "IuteCredit Finance S.à r.l." and its articles of association have been fully restated and amended pursuant to the decision of an extraordinary general meeting of the sole shareholder of the Issuer, recorded through a notarial deed dated 11 July 2019.

The Issuer is registered with Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B234678.

The registered office of the Issuer is at 14, rue Edward Steichen, L-2540 Luxembourg, its telephone number is +352 42 22 29 and its fax number is +352 42 64 43.

The Legal entity identifier number of the Issuer is 2221005B3DQGM4INWF57.

Pursuant to Article 4 of the updated articles of association of the Issuer dated 11 July 2019,

"4.1 the Issuer's corporate objects include:

(i) the issuance of bonds in one or more tranches or series of bonds for the purpose of applying all of the proceeds thereof to grant one or more loans to AS Iute Credit Europe, or any company being a direct or indirect shareholder of the Company or any company belonging to the same group as the Company (the "**Connected Companies**") including any tap issuance of additional bonds or bonds having a separate ISIN. For purposes of this Article 4, a company shall be deemed to be part of the same group as the Company if such other company directly or indirectly owns, is owned by, is in control of, is controlled by, or is under common control with, or is controlled by a shareholder of, the Company, in each case whether beneficially or as trustee, guardian or other fiduciary. A company shall be deemed to control another company if the controlling company possesses, directly or indirectly, all or substantially all of the share capital of the company or has the power to direct or cause the direction of the management or policies of the other company, whether through the ownership of voting securities, by contract or other-wise;

(ii) the granting of loans or otherwise assistance to the Connected Companies;

(iii) the granting of security interests over its assets in relation to the issuance of notes and granting of loans referenced above;

(iv) the making of deposits at banks or with other depositories;

(v) the entering into (i) the relevant documentation in connection with the issue of the notes and granting of loans and (ii) the aforesaid loan agreements with the Connected Companies, and, in each case, into all documents and transactions contemplated thereby; and

(vi) the entering into documents necessary or useful in view of the proper operation of the Company.

4.2 The Company may not carry out any activity falling within the scope of the Luxembourg law dated 5 April 1993 relating to the financial sector, as amended.

4.3 The Company may (i) acquire, hold and dispose, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies or other assets including but not limited to real estate assets; (ii) acquire by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto; (iii) acquire and hold interests, directly or indirectly, in any form whatsoever, in any Luxembourg or foreign entities, by way of, among others, the subscription or the acquisition of any securities and rights through participation, contribution, underwriting, firm purchase or option, patents, service marks, trademarks licences and other commercial or intellectual property rights, negotiation or in any other way; and (iv) own, administrate, develop and manage a portfolio of assets or interests (including, among other things, the assets and interests referred to in (i) through (iii) above).

4.4 The Company may borrow in any form. It may obtain any form of credit facility. The Company may issue bonds, notes, promissory notes, certificates, shares, beneficiary parts, warrants and other debt or equity instruments, convertible or not. It may use financial derivatives or raise funds by any other means.

4.5 The Company may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks. The Company may enter into, execute and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending or similar transactions.

4.6 The Company may also render any assistance, whether by means of financing, administration or marketing to the Connected Companies.

4.7 The Company may in particular:

(i) lend funds including the proceeds of any borrowings or issues of securities to its Connected Companies;

(ii) enter into any guarantee, pledge or any other form of security, whether by personal covenant or by mortgage or charge upon all or part of the undertaking, property assets (present or future) or by all or any of such methods, for the performance of any contracts or obligations of the Company and of any of the Connected Companies, or any Director (as defined below), or other agent of the Company or any of the Connected Companies, within the limits of any applicable law provision;

(iii) subordinate its claims in favour of third parties to secure the obligations of any Connected Companies; and

(iv) render administrative and marketing assistance to its Connected Companies.

4.8 In addition to the foregoing, the Company may perform all legal, commercial, technical and financial transactions and, in general, all transactions which are necessary or useful to fulfil its corporate object as well as all transactions directly or indirectly connected with its purpose or which may favour its development.

4.9 The descriptions in this article are to be construed broadly and its enumeration is not limiting. The Company's purpose shall include any transaction or agreement which is entered into by the Company unless it is inconsistent with this article."

The articles of association of the Issuer have been amended since its incorporation and for the last time, pursuant to a notarial deed dated 11 July 2019 and published in the Luxembourg *Recueil Electronique des Sociétés et Associations*, under number L190136230 dated 22 July 2019.

The Issuer's business operations consist of providing financing to the Group companies. The Issuer is financed through its share capital, external debt and cash from the activities of the Group operating companies. The Issuer's ability to pay principal, interest and premium, if any, on the Bonds is therefore dependent on financing and cash transferred to it from the operating companies of the Group.

Share Capital and Shareholders

The Issuer has a fully paid-up share capital of EUR 12,000 (twelve thousand euro) divided into 12,000 (twelve thousand) ordinary shares each having a par value of EUR 1 (one euro).

As of the date of this Offering Memorandum, all of the Issuer's shares are held by Holdco.

Financial Year of the Issuer

The financial year of the Issuer commences on January 1 and ends on December 31 of each calendar year.

As of the date of this Offering Memorandum, the Issuer has not started its operations by issuing any Bonds and the Issuer has not published any financial statements.

Auditor

As of the date of this Offering Memorandum, the Issuer does not fulfill the applicable legal requirements to audit its financial statements and submit them to a statutory auditor (*réviseur d'entreprises agréé*).

The general meeting of the shareholders will appoint a statutory auditor (*réviseur d'entreprises agréé*) of the Issuer as soon as the Issuer meets the applicable legal requirements for auditing its financial statements.

XII. INFORMATION ABOUT THE GROUP AND THE GUARANTORS

1. History of the Group

IuteCredit was founded in 2008 by a group of individuals for the purpose of, among others, providing flexible and convenient consumer financial services to customers.

IuteCredit initiated operations in Moldova, Albania, North Macedonia and Kosovo, and from 2018, it initiated additional operations in Bulgaria and Bosnia and Herzegovina through the establishment of new start-up entities. See *"—Group Structure—Legal Structure*" below.

2. Beneficial ownership

As of the date of this Offering Memorandum, 100% of the share capital of the Issuer is held by Holdco.

As of the date of this Offering Memorandum, the beneficial owners of Holdco are:

a. Tarmo Sild and Kristi Sild, holding jointly and indirectly 46,963 % of the voting share capital of Holdco; and

b. Allar Niinepuu, holding indirectly 45,53 % of the voting share capital of Holdco.

(together, the "**Founders**")

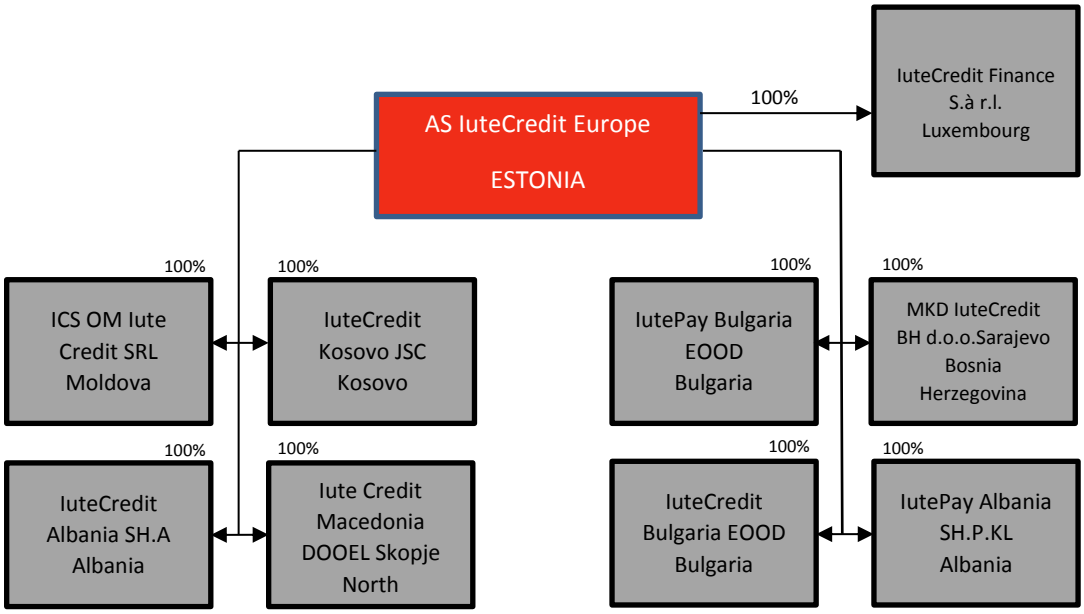
The remaining voting share capital of Holdco is diluted.

3. IuteCredit and Subsidiaries

The table below sets forth the entities of the Group which are active as of the date of this Offering Memorandum and will act as Guarantors.

Country	**Legal entity**	**Direct Shareholder**	**Ownership**
Estonia	AS IuteCredit Europe	Alarmo Kapital OÜ	89,81%
Moldova	O.C.N. "IUTE CREDIT" S.R.L.	AS IuteCredit Europe	100%
Albania	IuteCredit Albania SH.A	AS IuteCredit Europe	100%
Kosovo	IuteCredit Kosovo J.S.C	AS IuteCredit Europe	100%
Bulgaria	IutePay Bulgaria EOOD	AS IuteCredit Europe	100%
Bosnia Herzegovina	MKD IuteCredit BH d.o.o. Sarajevo	AS IuteCredit Europe	100%
Bulgaria	IuteCredit Bulgaria EOOD	AS IuteCredit Europe	100%
Albania	IutePay Albania SH.P.K.	AS IuteCredit Europe	100%

The Group chart below sets forth the legal structure and ownership of the Issuer, the Guarantors and the Promissory Note Provider as of the date of this Offering Memorandum.



Entities which will be set up by the Group after the date of this Offering Memorandum will become Additional Guarantors in accordance with the Terms and Conditions.

4. Operative Companies

Moldova

Legal and commercial name	**O.C.N. "IUTE CREDIT" S.R.L.**
Type of company	Limited liability company
Registration number	1008600026223
Date and place of incorporation	05 June 2008, Chisinau, Moldova
Registered office address	MD-2001, str. Izmail 84/6, mun. Chisinau, Moldova
Principal business activities	Professional nonbanking credit activities: offering nonbanking credits and financial leasing
License:	No license required to provide the Guarantor's services in Moldova.

Kosovo

Legal and commercial name	**IuteCredit Kosovo J.S.C**
Type of company	Joint stock company
Registration number	71358747
Date and place of incorporation	02 February 2017, Prishtina, Kosovo

Registered office address	B. Klinton Mulliri Praskut Obj.A2 Ll.B-1 Lok nr.2, Kosovo
Principal business activities	Granting loans
License:	No license required to provide the Guarantor's services in Kosovo.

Albania

Legal and commercial name	**IuteCredit Albania SH.A**
Type of company	Joint stock company
Registration number	L42011023U
Date and place of incorporation	04 August 2014, Tirana, Albania
Registered office address	Njesia Administrative Nr.5, Rruga Andon Zako Cajupi, Ndertesa Nr.3, Hyrja 2, Zona Kadastrale 8270, Nr.
Principal business activities	the activity of Micro Credit Financial Institution
License:	License No. 32, dated 31 March 2015 needed to provide the Guarantor's services in Albania.

North Macedonia

Legal and commercial name	**IuteCredit Macedonia DOOEL Skopje**
Type of company	Limited liability company
Registration number	7221290
Date and place of incorporation	25 July 2017 in Skopje
Registered office address	St. Dame Gruev 3, Skopje – Centre, North Macedonia
Principal business activities	Approving loans, issuing and administering credit cards
License:	License no. 13-4845/5 from 24 July 2017, issued by the Ministry of Finance.

Bulgaria

Legal and commercial name	**IutePay Bulgaria EOOD**
Type of company	Limited liability company
Registration number	204903721
Date and place of incorporation	12 December 2017, Sofia, Bulgaria

Registered office address	Cherkovna 38, entr. A, Sofia 1505, Bulgaria
Principal business activities	Consultancy services, provision of online services, intermediary activity, as well as any other activity, not prohibited by law or other legal act of the Republic of Bulgaria
License:	No license required to provide the Guarantor's services in Bulgaria. Corporate guarantee can be issued without a license

Bosnia Herzegovina

Legal and commercial name	**MKD IuteCredit BH d.o.o. Sarajevo**
Type of company	Limited liability company
Registration number	4202632880002
Date and place of incorporation	29 March 2019, Sarajevo, Bosnia & Herzegovina
Registered office address	Fra Anđela Zvizdovića 1, 71000 Sarajevo, Bosnia Herzegovina
Principal business activities	Other credit intermediation
License:	License, dated 28 February 2019 needed to provide the Guarantor's services in Bosnia Herzegovina.

Bulgaria

Legal and commercial name	**IuteCredit Bulgaria EOOD**
Type of company	Limited liability company
Registration number	205559807
Date and place of incorporation	11 March 2019, Sofia, Bulgaria
Registered office address	Cherkovna 38, entr. A, Sofia 1505, Bulgaria

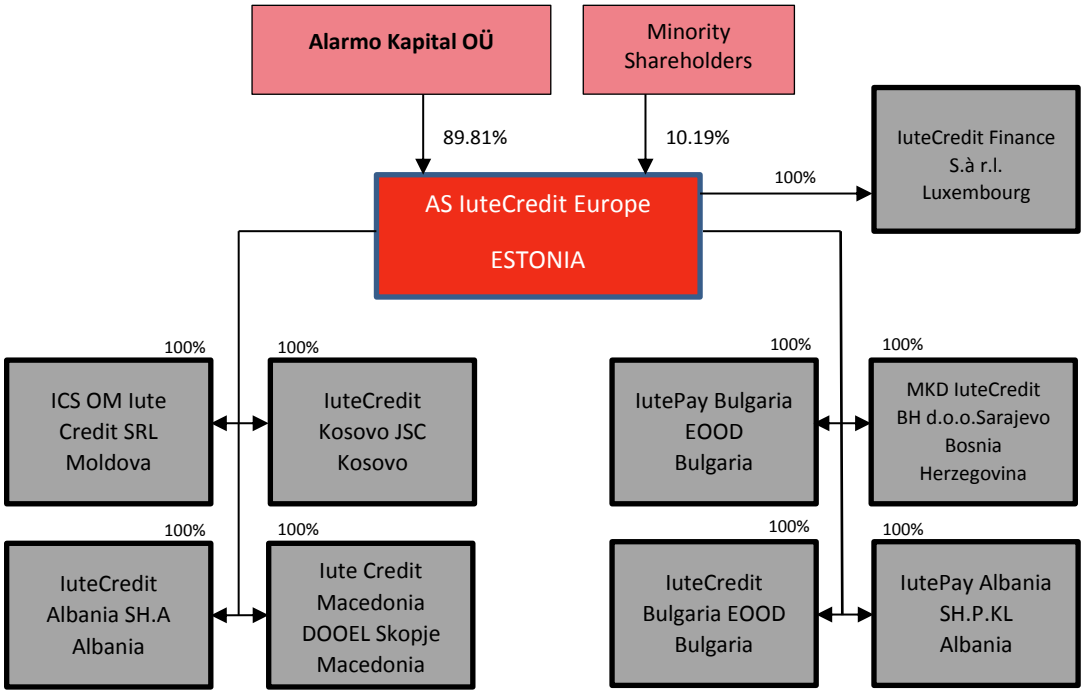
Principal business activities	Provision of (1) financial leasing; (2) guarantee transactions; (3) acquisition of accounts receivables and other forms of financing (factoring, forfeiting, etc.); (4) acquisition of holdings in a credit institution or in another financial institution; (5) lending of funds that are not raised through public offerings of deposits or other repayable funds; (6) performing other financial services permitted under Art. 3 of the law on credit Institutions, provided that if, in accordance with the applicable law, an authorization, license or registration is required for the performance of the service, such service shall be carried out upon receiving such authorization, license or registration from the competent authority
License:	License dated 30 April 2019, No BGR00415. No license required to provide the Guarantor's services in Bulgaria. Corporate guarantee can be issued without a license

Albania

Legal and commercial name	**IutePay Albania SH.P.K**
Type of company	Limited liability company
Registration number	L81902006O
Date and place of incorporation	2 July 2018, Tirana, Albania
Registered office address	Rruga Sami Frasheri, Pallati Conad, kati 3, Tirana, Albania
Principal business activities	No activity performed by this Guarantor at the date of this Offering Memorandum
License:	No license required to provide the Guarantor's services in Albania. Corporate guarantee can be issued without a license.

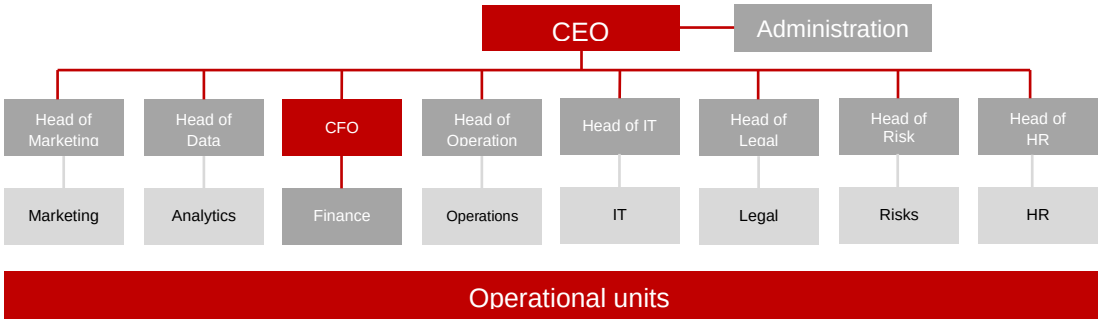
5. Organization Structure

The following chart sets forth the legal structure of the Group as of the date of this Offering Memorandum.

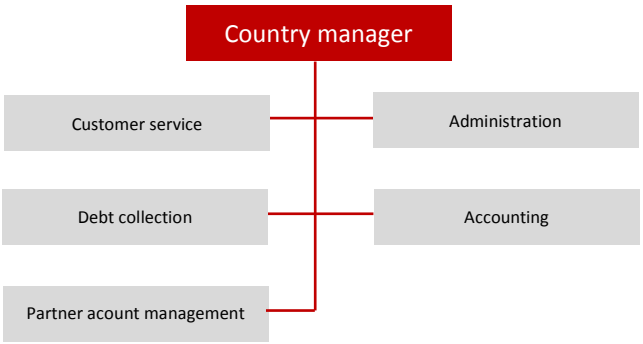


The Group is directed by the management team of Holdco composed by, among others, Mr. Tarmo Sild and Mr. Allar Niinepuu. The management team of Holdco is formed by the chairman of the supervisory board, Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and Chief Risk Officer. In addition, the Group has country CEOs.

The following chart sets forth the Group's organization structure.



The organization structure for the typical local operation unit in each jurisdiction is set out in the chart below. There is also a legal and compliance unit in several jurisdictions.



6. Properties

The Group does not own any land or buildings. The Group leases a number of premises and certain equipment under operating leases. Lease payments are usually increased annually to reflect market rentals. The amounts of operating lease expenses were EUR 324,539 and EUR 141,176 in the financial year ended 31 December 2018 and the financial year ended 31 December 2017, respectively.

7. Employees

As of 31 December 2018, we had 233 employees. Approximately 15 employees were based in Estonia; approximately 5 of these employees were engaged in Group-level functions. The table below sets forth the number of employees based in each of our countries of operation as of the respective dates.

Country	31 December 2018	31 December 2017
Estonia (group functions)	5	4
Estonia (operations)	10	1
Moldova	77	50
Albania	76	51
Kosovo	28	9
North Macedonia	30	14
Bulgaria	7	1
Total	**233**	**130**

We are constantly hiring new employees to join our Group. We expect increasing trends in human recourses as business operations will also start in Bosnia Herzegovina. We will also increase the number of employees in other subsidiaries.

Social policy and employee benefits

We believe that our current compensation package is generally competitive compared to the packages offered by our competitors or employers in other industries which engage

professionals with similar education and experience records. Our personnel management policy is aimed at developing a skilled and highly-productive staff that is successful in performing its responsibilities.

The Group's official language is English. It compensates 50% of the English courses for all its employees.

The salary typically consists of a base salary (fixed labor cost) and a bonus for conducting certain quantity of operations, achieving certain efficiency or targets. Fixed labor costs, as a thumb rule, should not exceed 70% of the total labor costs.

We have not been party to any major labor dispute with our employees.

8. Material Agreements

The following section provides a summary of material agreements to which any member of the Group is a party.

a. Existing Notes

The following notes issued by AS IuteCredit Europe are outstanding as of the date of this Offering Memorandum: (i) 14% A8 notes due 15 October 2019 for a total subscribed amount of EUR 1,294,500.00 (the "**A8 Notes**"), (ii) 14% A9 notes due 15 June 2020 for a total subscribed amount of EUR 3,926,200.00 (the "**A9 Notes**"), (iii) 14% A10 notes due 15 September 2020 for a total subscribed amount of EUR 3,699,800.00 (the "**A10 Notes**"), (iv) 12% A11 notes due 15 February 2021 for a total subscribed amount of EUR 2,953,100.00 (the "**A11 Notes**") and (v) 13% A12 notes due 15 May 2022 for a total subscribed amount of EUR 3,050,200.00 (the "**A12 Notes**", and, together with the A8 Notes, the A9 Notes, the A10 Notes, the A11 and the A12 Notes, the "**IuteCredit Europe AS Notes**"). The IuteCredit Europe AS Notes have not been offered to the public or admitted to trading and are not listed on a regulated market.

The IuteCredit Europe AS Notes are secured by pledge over receivables granted by the Pledgors, which shall be amended and restated on or about the date of this agreement. The IuteCredit Europe AS Notes rank *pari passu* in right of payment to the Bonds (see "*Additional Information on the Guarantees, the Transaction Security and the Security Agent*").

As of 31 May 2019, the accumulated interest under the IuteCredit Europe AS Notes was EUR 273,227.

b. Facility Agreements

The total outstanding amount as of 31 March 2019 is EUR 10.3 million, of which two significant facility agreements are to be mentioned. The first one matures on 1 July until 1 October 2019 and contains a facility in an amount of EUR 1,100,000. It provides for an interest rate of 18% and the accrued interest is EUR 16,500. The second material facility agreement matures on 6 June 2019 until 23 July 2020 and contains a facility in an amount of EUR 4,900,000. It provides for an interest rate of 14% and the accrued interest is EUR 69,125.

c. Mintos

Four Guarantors have financed their operations through the Mintos marketplace, ICA, ICM, ICK and ICNM. The Mintos marketplace is operated by SIA Mintos Finance (registration No 40203022549) (Latvia) acting as loan originator and AS Mintos Marketplace (registration No.

40103903643) maintaining and managing the Mintos platform and servicing the claims of the investors.

The Mintos platform typically works as follows: (i) borrowers (i.e., IuteCredit's customers) apply for a loan with the loan originator (i.e., IuteCredit), (ii) the loan originator evaluates the application, sets an interest rate and lends money from its own funds and (iii) loans are then listed on the Mintos marketplace, where investors can select loans to invest in, thereafter receiving part of monthly payments and interest. By investing in a loan, investors are buying claim rights against a borrower based on an assignment agreement or equivalent arrangement. In the case that a borrower is unable to repay the loan, investors may lose some or all of their invested capital. The loan originator may guarantee the performance of the borrower, by undertaking to buy back the assigned claims if they remain unpaid for 60 days after they are due. In certain cases, however, Mintos as a loan originator grants a loan, or a series of loans, to IuteCredit, which then repays from loans to its customers serving as the source of repayment and Mintos as the loan originator further lists such loans on the Mintos marketplace, where investors can select loans to invest in, thereafter receiving part of monthly payments and interest received by Mintos from IuteCredit.

9. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, in making financial or operational decisions, as defined in IAS 21 "*Related Party Disclosure*." In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely its legal form. We are and have been party to various agreements and other arrangements with certain related parties and interested parties, the most significant of which are described below. To the best of our knowledge, all agreements with related parties have been entered into on arm's length terms and on market terms and conditions.

Loans from related parties

The list below summarizes the value of our transactions entered into with related parties for the financial year ended 31 December 2018 and the ongoing financial year 2019.

1. Holdco as lender has entered into several credit line agreements with the following Group companies:
    a. Albania - IuteCredit Albania SH.A as borrower under a loan agreement in an amount of EUR 7,000,000 made on 01.09.2014;
    b. Bosnia Herzegovina - MKD IuteCredit BH d.o.o. Sarajevo as borrower under a master loan agreement in an amount of EUR 5,000,000 made on 29.10.2018;
    c. Bulgaria - IutePay Bulgaria EOOD as borrower under a master loan agreement in an amount of EUR 5,000,000 made on 03.09.2018;
    d. Kosovo - IuteCredit Kosovo J.S.C as borrower under a master loan agreement in an amount of EUR 5,000,000 made on 01.11.2017;
    e. Moldova - O.C.N. OM "IUTE CREDIT" SRL as borrower under a master loan agreement in an amount of EUR 15,000,000 made on 30.04.2016.
2. IuteCredit Bulgaria EOOD as lender has entered into a loan agreement in an amount of EUR 450,000 with Holdco as borrower made on 16.05.2019.

10. Legal Proceedings

No member of the Group is engaged in or, to our knowledge, has currently threatened against it, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Offering Memorandum, a significant effect on our financial position or profitability.

11. Recent Events and Trends

IuteCredit's business has grown substantially in the recent years, and it continues to monitor business development opportunities in new and upcoming countries as well as in existing markets. While IuteCredit has grown organically, it aims to leverage its existing expertise and business model into expanding into countries which have an attractive potential for the services it is offering and where there is a need of the customers to implement its business model. IuteCredit recently opened Bosnian market and in the near future it is aiming to expand its presence in Bulgaria as well.

At the moment, IuteCredit operates in five countries through 35 branches, over 720 post offices and with more than 2,000 point of sales (retailers) and these numbers are growing every day. As by the end of 2018, it reached more than 150,000 active loan customers and it was trusted by more than 480,000 customers.

To diversify its operations and the offer of products to clients, IuteCredit is currently analyzing the possibility to acquire a regulated financial institution to be able to provide credit card services to its customers. However, this is an open process which is depending on various factors, such as the positive outcome of due diligence processes.

XIII. MANAGEMENT

1. Management structure of the Issuer

Below we describe the management of the Issuer.

In accordance with the Issuer's articles of association and the relevant provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time (the "**Luxembourg Company Law**") governing private limited liability companies (*société à responsabilité limitée*), the management of the Issuer is divided between the board of managers (*conseil de gérance*) and the sole shareholder (*associé unique*), or, in the instance of there being more than one shareholder, the shareholders' general meeting (*assemblée générale des associés*).

The board of managers of the Issuer is supported by the management team of Holdco, which is responsible for providing high-level advice on decisions and business matters ranging from strategic planning, policy formulation, investment planning and risk assessment.

A brief description (which is not intended to be exhaustive) of the composition, roles and functioning of each of these bodies is set forth below.

The share capital of the Issuer is entirely held by its sole shareholder Holdco as further described under "Information about the Issuer" above. The shareholders' general meeting exercises the power granted by the Luxembourg Company Law including (i) appointing and removing the managers and the statutory or independent auditor of the Issuer as well as setting their remuneration, (ii) approving the annual financial statements of the Issuer, (iii) amending the articles of association of the Issuer, (iv) deciding on the dissolution and liquidation of the Issuer, and (v) changing the nationality of the Issuer.

The Issuer is managed by a board of managers whose members have been appointed as type A managers and type B managers by the shareholders' general meeting of the Issuer. In accordance with Luxembourg Company Law, each type A manager and type B manager may be removed at any time without cause (*révocation ad nutum*).

The meetings of the board of managers are validly held if at the commencement of the meeting at least one type A manager and one type B manager is present or represented and decisions are validly taken by the majority of the managers present or represented (including at least one type A manager and at least one type B manager). Any manager may represent one or more other managers at a board of manager' meeting.

The board of managers may sub-delegate its powers for specific tasks to one or several ad hoc agents, acting individually or jointly.

Pursuant to its articles of association, where the Issuer is administrated by a board of managers comprising several categories of managers, it shall be bound by the joint signatures of a type A manager and a type B manager.

The Issuer is currently managed by a board of manager composed of one manager of type A and two managers of type B as set out below, elected pursuant to resolutions of the shareholders of the Issuer, for a term as set out below. The directors may be removed before the expiration of the term. Based on the articles of association of the Issuer, managers of each category are vested with the same individual powers and duties. The two managers of type B are Luxembourg residents, whereas the manager of type A is not a Luxembourg resident and at the same time hold the position of CFO within the Group. The board of managers did not appointed a chairman among its members so far.

Name	Year of Birth	Term until	Position
Kristel Kurvits	1972	indefinite period	Class A manager
Ann Leonie R Lauwers	1964	indefinite period	Class B manager
Pieter Adriaan C.S. van Nugteren	1966	indefinite period	Class B manager

Ms. Kristel Kurvits was appointed as class A manager of the Issuer in 5 July 2019. Ms. Kurvits is the Chief Financial Officer of AS IuteCredit Europe since November 2017. She is also the director and sole owner of OÜ Protses and the Chief Financial Officer of MTÜ Estonian Banking Association. Previously, she worked as Chief Accountant for Ektornet Land Estonia OÜ, Swedbank Group and as Auditor´s Assistant for Auditor Toomas Villems. Between 1997 and 1998 she worked for Hansapanga Group. Ms. Kurvits holds a Master´s Degree in Financial Management from Estonian Business School.

Ms. Ann Leonie R Lauwers was appointed as class B manager of the Issuer in 5 July 2019. Ms Lauwers has held senior corporate counsel and account manager positions in Luxembourg companies and. Ms Lauwers has a Master's degree in Law from the University of Antwerp, Belgium.

Mr. Pieter Adriaan C.S. van Nugteren was appointed as class B manager of the Issuer in 5 July 2019.Mr. Pieter Adriaan C.S. van Nugteren has held principal relationship manager (Team Leader) positions in Luxembourg companies and is responsible for private banking wealth management team, support to team members with transactions, client meetings and compliance issues and also acts as board member in several Luxembourg companies, real estate and private equity funds.

2. Corporate Governance

Each subsidiary of the Group is an independently operating entity. Unless specifically decided otherwise by the Holdco, it is presumed that day-to-day decisions are made by subsidiaries on their own.

In addition to overall management on local level, the managements on local and on Holdco level are divided into functionalities. The head of each functionality is on Holdco level and the respective person in charge manages all employees belonging to the same functionality within the Group.

Independent management on the local levels together with the division of functionalities ensures that the Group has a horizontal and vertical management. The management team of the Holdco is responsible for the overall governance of the whole Group by making strategic decisions and providing directional guidance to the subsidiaries.

The current management team of Holdco is set forth in the table below:

Name	Year of Birth	Position
Allar Niineppu	1973	Chairman of the supervisory board of Iute
Tarmo Sild	1975	CEO of Iute

Name	Year of Birth	Position
Andres Klettenberg	1983	CRO of Iute
Kristel Kurvits	1972	CFO of Iute

Allar Niinepuu is a beneficial owner and chairman of the supervisory board of AS IuteCredit Europe since 2008. He is also a member of the management board of OÜ Alarmo Kapital and the sole owner and manager of OÜ Kavass (which in turn holds 50% of the shares in OÜ Alarmo Kapital). Previously he worked as a marine officer for Estonian Maritime Shipping Company, being the oldest ship-owning company in Estonia. Mr. Niinepuu graduated as a technician vessel manager from the Estonian Center of Maritime Education.

Tarmo Sild is the founder, beneficial owner and Chief Executive Officer of AS IuteCredit Europe since 2008. He is also the CEO of Arco Vara AS, a real estate development and services company. Previously he acted as an attorney at LEXTAL Law Firm, a top tier law firm in the Baltics, for nearly 10 years, as well as at HETA Law Offices, one of the oldest law firms in Estonia, for approximately 5 years. He holds a LL.M. from Vrije Universiteit Brussels and a Bachelor Degree in Law from the University of Tartu. Moreover, he pursued additional studies on EU Law at the University of Helsinki.

Andres Klettenberg was appointed Chief Risk Officer of AS IuteCredit Europe in June 2017. Previously he occupied the same position in Alexela Energia AS for over 4 years. From September 2010 to December 2012, Mr. Klettenberg worked at Bigbank AS, first as a credit area specialist and later as a financial specialist. He also worked as CFO of Fausto AS between 2007 and 2010 and acted as a financial analyst at United Partners Corporate Finance AS for one year. Mr. Klettenberg holds a Master degree from the University of Tartu in Entrepreneurship and Technology Management and a Bachelor degree in Business Administration from the same institution.

Kristel Kurvits is the Chief Financial Officer of AS IuteCredit Europe since November 2017. She is also the Director and sole owner of OÜ Protses and the Chief Financial Officer of MTÜ Estonian Banking Association. Previously, she worked as Chief Accountant for Ektornet Land Estonia OÜ /Swedbank Group and as Auditor´s Assistant for Auditor Toomas Villems. Between 1997 and 1998 she worked for Hansapanga Group. Ms. Kurvits holds a Master´s Degree in Financial Management from Estonian Business School.

Interest of directors and officers

As of the date of this Offering Memorandum, none of the members of the board of directors of the Issuer or Holdco, other than Mr. Allar Niinepuu (holding indirect interest in Holdco equal to 45,53 % of the share capital of Holdco) and Mr. Tarmo Sild (holding indirect interest in Holdco equal to 24,42 % of the share capital of Holdco) has an ownership interest in the share capital of Holdco and, unless as otherwise disclosed elsewhere in this Offering Memorandum, there are no other potential conflicts of interest between any duties of the board of directors of the Issuer and their private interests and/or other duties.

3. Litigation statement about directors and officers

The CEO of IuteCredit was convicted for bribery in Estonia in May 2010, when he was advising the environmental minister of Estonia in the sale of real estate assets in Estonia. The CEO denied any wrongdoing. The conviction resulted in a fine of 102,000 EEK (6,500

EUR), entered into force in May 2010 and extinguished in May 2013 with deletion from the criminal records of the CEO.

With the exception of the above, as of the date of this Offering Memorandum, no other member of the board of directors of Holdco or the Issuer:

- has had any convictions in relation to fraudulent offences; nor
- has held an executive function in the form of a senior manager or a member of the administrative management or supervisory bodies, of any company, or a partner in any partnership, at the time of or preceding any bankruptcy, receivership or forced liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

4. Change of Control over the Group

We are not aware of any arrangements in existence as of the date of this Offering Memorandum which could reasonably be expected to result in a change of control over the Group.

XIV. REGULATORY FRAMEWORK

The majority of our operating entities are financial institutions, regulated as non-bank financial institutions or micro-credit institutions in each of our operating jurisdictions. The regulatory framework applicable to our operating entities varies depending on the jurisdiction in which we are operating. The relevant regulations relate to, *inter alia*, lending activities, consumer rights protection, the processing of personal data, debt collection and the prevention of money laundering and financing of terrorism.

In the following, we give an overview over the most relevant major regulations in the jurisdictions of the principal operating entities of the Group as of the date of this Offering Memorandum:

Moldova

Î.C.S. O.M. „IUTE CREDIT" S.R.L (Moldova) is a licensed (consumer lending) non-banking company, regulated and supervised by the Moldovan National Commission for Financial Market ("**NCFM**") and included in the register of legal entities maintained with the Moldovan Agency of Public Services. Companies are able to provide consumer loans services in Moldova only after inclusion in such register, which can be accessed on the official website of the NCFM (www.cnpf.md).

As a non-bank financial institution, the company must comply with the rules on consumer lending, consumers rights and protection, established by the Moldovan Civil Code, Consumer Credit Law, Consumer Protection Law, Law on Non-bank Credit Organizations, and Law on Unfair Terms in Consumers Contracts (transposing Directive 93/13/CEE dated 5 April 1993), and Regulation on the Disclosure by the Professional Participants on the Non-banking Financial Market of the Information Regarding the Services Rendered providing; inter alia, the type of information that must be disclosed to the consumers upon contract signing and the rules on advertising of consumer loan services.

The company is a registered personal data processor in Moldova with the National Centre for Personal Data Protection. The company has to establish internal procedures for the identification of its customers and must comply with Anti-Money Laundering regulation, and as such, is required to identify its customers, and report to local authorities suspicious transactions.

The customers of the company may address their complaints upon infringement of consumers' rights to the National Agency on Protection of the Consumers and Market Supervision.

The most important laws regulating the business of IuteCredit in Moldova are: the Law on Non-bank Credit Organizations, Regulation on the Disclosure by the Professional Participants on the Non-banking Financial Market of the Information Regarding the Services Rendered, Consumer Credit Law, Consumer Protection Law, Personal Data Protection Law, Anti-Money Laundering and Combating of Terrorism Financing Law. The regulators are NCFM, National Agency on Consumer Protection and Market Supervision, National Centre for Personal Data Protection.

Albania

IuteCredit Albania SHA (Albania) is a licensed non-bank financial institution in Albania, regulated and supervised by the Bank of Albania to conduct microfinancing activities based on license no. 32, dated 31 March 2015. Under the Albanian banking regulations, a non-bank financial institution is a legal entity licensed by the Bank of Albania to exercise one or more

financial activities such as for example microfinancing activities, and which in turn is not permitted to collect monetary deposits and other repayable funds from the public.

The company has been registered with the Albanian National Business Center on 11 August 2014 and its registered scope of activity is the provision of loans, as well as any other commercial and financial activity related to the lending activity. In addition, according to its Articles of Association, it can perform any legal activity related to movable or immovable properties, as well as any commercial and financial activity, leasing, mortgaging, pledges, security charges or any other guarantee as it may be deemed fit and necessary and any other activity that may be deemed useful or necessary for the completion of its principal scope of activity.

Non-bank financial subjects are established and organized pursuant to the law no. 9901 dated 14 April 2008 "*On Entrepreneurs and Commercial Companies*", the law no. 9662, dated 18 December 2006 "*On Banks in the Republic of Albania*", and Regulation of the Bank of Albania dated 17 January 2013 "*On licensing and exercising of activity by non-bank financial institutions*".

IuteCredit Albania SHA has duly notified its activities of data collection and processing with the Personal Data Protection and Information Commissioner of Albania. The company must comply with rules on consumer lending and consumer rights protection, stipulated in Law no. 9902, dated 17 April 2008 "On Consumer Protection" and Regulation 48/2015 "On Consumer Credit and Mortgage Credit" approved by the Bank of Albania Among other things the Regulation 48/2015 "On Consumer Credit and Mortgage Credit", stipulates the type of information that must be disclosed to customers before and upon contract signing.

The key laws and regulations concerning the business of IuteCredit in Albania are: The Law no.9901 dated 14 April 2008 "On Entrepreneurs and Commercial Companies", Law no. 9662, dated 18 December 2006 "On Banks in the Republic of Albania", Regulation 48/2015 "On Consumer Credit and Mortgage Credit", Decision of the Supervisory Council of the Bank of Albania no. 01, dated 17 January 2013 On the approval of the Regulation "On licensing and exercising of activity by non-bank financial institutions", Law no. 9902, dated 17 April 2008 "On Consumer Protection", Law no. 9887 dated 10.03.2008 "On Protection of Personal Data" and Law no.9917, dated 19 May 2008 "On the Prevention of Money Laundering and Financing of Terrorism". The relevant regulatory authorities are the Bank of Albania, the Consumer Protection Commission and the Personal Data Protection and Information Commissioner.

Kosovo

IuteCredit Kosovo JSC (Kosovo) is a microfinance institution licensed in 2017 and supervised by the Central Bank of the Republic of Kosovo (the"**CBK**"). The company provides loans and a limited number of financial services to low-income persons, households and micro and small legal entities. Joint stock companies are able to operate as a microfinance institution in Kosovo, only after registration with the Kosovo Business Registration Agency ("**KBRA**") and with the CBK as a microfinance institution for carrying out microfinance services.

The company must comply with rules on consumer lending and consumer rights protection, stated in a consumer protection law. The consumer protection law provides, among others, for the type of information that must be disclosed to customers upon contract signing and how advertising of consumer loan services should be performed. In addition, IuteCredit Kosovo J.S.C. must comply with Anti-Money Laundering regulation, and as such, is required to identify their customers, and report suspicious transactions to local authorities.

The major laws and regulations concerning the business of IuteCredit in Kosovo are: Law on Banks, Microfinance Institutions and Non-Bank Financial Institutions; CBK Regulation on Effective Interest Rate and Microfinance Institutions Disclosure Requirements; Law on Obligations; Consumer Protection Law; Personal Data Protection Law; Prevention of Money Laundering and Combating of Terrorist Financing Law. The regulators are the Consumer Protection Department of the Ministry of Trade and Industry and the National Agency for Personal Data Protection.

North Macedonia

Iute Credit Macedonia DOOEL Skopje (North Macedonia) is a non-bank financial institution, which has been granted a license from the Ministry of Finance of the Republic of North Macedonia (the "**Ministry of Finance**") for establishment and operation for conducting credit intermediation services and registered with the Central Registry of the Republic of North Macedonia (the "**Central Registry**"). It provides for credit intermediation services, including, among others, the approval of credits, issuing and administering of credit cards. Companies are able to provide credit intermediation services in North Macedonia only upon obtaining a prior license for establishment and operation from the Ministry of Finance and after registration with the Central Registry. The Ministry of Finance also administers a Registry of Financial Institutions and supervises the activities of Iute Credit Macedonia DOOEL Skopje.

The company must comply with rules on consumer crediting and consumer rights protection, stipulated in the Law on Consumer Protection in Consumer Credit Agreements (the "**Consumer Credit Law**"), the Consumer Protection Law and the Law on Financial Companies. The Consumer Credit Law states, among others, the type of information that must be disclosed to customers prior the conclusion of a consumer credit agreement or accepting an offer and how advertising of consumer credit services could be performed.

The company is registered with the Directorate for Personal Data Protection of the Republic of North Macedonia as a personal data controller. In addition, the company must comply with the Law on the Prevention of Money Laundering and Financing of Terrorism (the "**Anti-Money Laundering Law**"), and as such, is required to identify its customers and report to local authorities suspicious transactions.

The major laws concerning the business of IuteCredit in North Macedonia are: the Law on Financial Companies, the Law on Trade Companies, the Consumer Credit Law, the Consumer Protection Law, the Law on Obligations, the Personal Data Protection Law and the Anti-Money Laundering Law. Among the relevant state institutions are the Ministry of Finance, the Directorate for Personal Data Protection, the State Market Inspectorate and the Financial Intelligence Office.

Bulgaria

IuteCredit Bulgaria EOOD (Bulgaria) is a non-bank financial institution, registered with the Bulgarian National Bank (the "**BNB**"). Its registered field of activity is the provision of consumer loans with funds which have not been collected as deposits from the public. In order to operate as a non-bank financial institution in the country, a company must be included and/or registered in the Special Registry of Financial Institutions administered by the BNB. The activity of IuteCredit Bulgaria EOOD is supervised and regulated by the BNB.

In addition, IutePay Bulgaria EOOD (Bulgaria) performs as technology operations cost center and cards service center and thus does not need any registrations or licenses in Bulgaria as it does not provide any services to third parties.

The companies must comply with rules on consumer lending and consumer rights protection, stipulated in the Consumer Credit Law, Consumer Protection Law, and Law on Credit Institutions. Among other things, the Consumer Credit Law, stipulates the type of information that must be disclosed to customers upon contract signing and how advertising of consumer loan services could be performed. In addition, IuteCredit EOOD and IutePay EOOD must comply with Anti-Money Laundering regulation, and as such, are required to identify their customers, and report to local authorities suspicious transactions.

The major laws and regulations concerning the business of IuteCredit in Bulgaria are: the Law on Credit Institutions, Ordinance No 26 of BNB, Consumer Credit Law, Consumer Protection Law, Personal Data Protection Law, Anti-Money Laundering and Combating of Terrorism Financing Law. The regulators are the BNB, the Consumer Protection Commission and the Personal Data Protection Commission.

Bosnia Herzegovina

MKD IuteCredit BH d.o.o. Sarajevo (Bosnia Herzegovina) is a micro-credit institution (*mikrokreditna organizacija*), registered with the FBiH Banking Agency (the "**FBA**"). Its registered filed of activity is the provision of financial services primarily connected to granting of loans by institutions not involved in monetary intermediation (whereas the granting of loans may take a variety of forms, such as loans, mortgages, credit cards, and similar), granting of consumer loans and lending outside the banking system.

The company operates under the direct supervision of the FBA.

The company must comply with rules on consumer lending and consumer rights protection, stated in the FBiH Financial Services Consumer Protection Law and the BiH Consumer Protection Law. Among other things, the FBiH Financial Services Consumer Protection Law provides for mandatory provisions of consumer loan agreements, the obligation of financial institutions to inform the consumers on all terms and conditions of the financial product prior to conclusion of the loan agreement. In order to operate, the company must register as personal data controller with the BiH Data Protection Agency, as well as to comply with anti-money laundering regulations, and as such, required to identify its customers, and report suspicious transactions to the local authorities.

The major laws and regulations concerning the business of IuteCredit in Bosnia Herzegovina are: the FBiH Law on Micro-Credit Organizations, Ordinance on Terms and Procedure of Issuing and Revoking the Operational and Other Licenses of Micro-credit Institutions, the FBiH Financial Services Consumer Protection Law, the BiH Consumer Protection Law, the BiH Personal Data Protection Law, and the BiH Anti-Money Laundering and Combating of Terrorism Financing Law.

The regulators are the FBA, the Personal Data Protection Agency and the Ombudsman for Consumer Protection.

XV. TERMS AND CONDITIONS OF THE BONDS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (these "**Terms and Conditions**"):

"**Account Pledge Agreements**" means the pledge agreements to be entered into between the Security Agent and the Pledgors within ninety (90) calendar days following the Settlement Date (or within ninety (90) calendar days after a Restricted Subsidiary becomes an Additional Pledgor) in respect of first priority pledges over the Pledgors Accounts and all funds held on the Pledgors Accounts from time to time, granted in favour of the Security Agent acting for the Holders.

"**Accounting Principles**" means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Additional Amounts**" means any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Relevant Taxing Jurisdiction on any payment by the Obligors of principal or interest or any other payment in relation to the Bonds under the Finance Documents.

"**Additional Guarantor**" has the meaning set forth in Condition 11.10 (*Additional Guarantee*).

"**Additional Pledgor**" has the meaning set forth in Condition 11.11 (*Additional Transaction Security*).

"**Additional Secured Creditor**" means any senior secured creditor of the Issuer, or Holdco with respect to any Additional Secured Obligation.

"**Additional Secured Obligations**" means subject to any limitation under the relevant Transaction Security Documents, all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligors towards the Additional Secured Creditors under or in connection with any terms and conditions of debt instruments, facilities agreements or loan agreements entered into in accordance with and subject to Condition 11.16 (*Additional Secured Creditors*).

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) calendar days after the date of supply or (b) any other trade credit incurred in the ordinary course of business.

"**Affiliate**" means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person and/or any Person that is related in a straight line of descent with such specified Person or a brother or a sister of such specified Person (each a "**Related Person**") and/or any Person, directly or indirectly, controlled by such Related Person. For the purpose of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether

through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Agent**" means the Holders' agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Greenmarck Restructuring Solution GmbH, established in Germany and registered with the lower court of Munich under number HRB 187052 with address at Widenmayerstraße 16, 80538 Munich, Germany

"**Agent Agreement**" means the fee agreement entered into on or about the Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the Issue Date between the Issuer and an Agent.

"**Bank**" means any bank or other regulated financial institution acquired directly or indirectly by Holdco in the future, as the case may be.

"**Bonds**" has the meaning set forth in Condition 2.1 (*Principal Amount, Currency and Denomination*).

"**Bond Issue**" means the issuance of the Bonds on the Issue Date.

"**Business Day**" means any day on which banking institutions are open for business in Luxembourg, Tallinn and Frankfurt am Main and payments in Euro may be settled via the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET 2).

"**Business Day Convention**" means the first following day that is a Business Day.

"**Calculation Agent**" has the meaning set forth in Condition 14.2 (*Calculation Agent*).

"**Call Option Amount**" means:

(a) the Make Whole Amount if the Call Option is exercised before the First Call Date;

(b) 106.50% per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to 7 August 2021 (the "**Second Call Date**");

(c) 103.50% per cent. of the Nominal Amount if the call option is exercised after the Second Call Date up to (but excluding) the Maturity Date.

"**Capital Lease Obligations**" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with the Accounting Principles, and the scheduled maturity date thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means:

(a) in the case of a corporation, corporate stock, including shares (*actions*) in case of a Luxembourg company;

(b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Capitalization Ratio**" means, for Holdco as of any date of determination, the result (expressed as a percentage) obtained by dividing (x) Consolidated Net Worth of Holdco (calculated as of the end of the Relevant Period ending on the last day of the period covered by the most recent Financial Report prior to the date of the transaction giving rise to the need to calculate Consolidated Net Worth) by (y) Net Loan Portfolio as of such date of determination.

"**Cash and Cash Equivalents**" means cash and cash equivalents in accordance with the Accounting Principles.

"**Change in Tax Law**" means (a) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation or (b) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction.

"**Change of Control Event**" means (a) the direct or indirect sale or other disposal, in one or a series of related transactions, of all or substantially all of the properties or assets of the Obligors taken as a whole to any Person other than Holdco or a Restricted Subsidiary and (b) the occurrence of an event or series of events whereby one or more Persons, not being a Current Shareholder or a Group Company, acting together, acquire control over Holdco and where "**control**" means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the shares or voting rights in Holdco or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of Holdco, the Issuer or any of the Guarantors and the Promissory Note Provider that such Current Shareholder has to appoint directors of Holdco, the Issuer or any of the Guarantors or the Promissory Note Provider shall be disregarded).

"**Clearing System**" has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

"**Code**" has the meaning set forth in Condition 8.1 (*Withholding Tax*).

"**Companies Law**" has the meaning set forth in Condition 16.1 (*General*).

"**Compliance Certificate**" means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (a) that so far as it is aware

no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, (b) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of the Interest Coverage Ratio and, if applicable, the Capitalization Ratio and (c) if provided in connection with testing of the financial covenants that the financial covenants set out in Condition 12.1 (*Financial Conditions*) are met.

"**Condition**" means the Terms and Conditions and a numbered "**Condition**" shall be construed accordingly.

"**Consolidated Net Worth**" means, for the Issuer at any time, the sum of paid in capital, retained earnings, reserves and subordinated debt of the Group as set forth on the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report prepared in accordance with the Accounting Principles, less (without duplication) amounts attributable to Disqualified Stock of the Issuer.

"**Consolidated Total Assets**" means the total assets of the Issuer and the Restricted Subsidiaries as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report, calculated on a consolidated basis in accordance with the Accounting Principles.

"**Corresponding Debt**" has the meaning set forth in Condition 10.4 (*Parallel Debt*).

"**CSD**" means the Issuer's central securities depository in respect of the Bonds from time to time; initially Clearstream Banking S.A., Luxembourg.

"**Current Shareholders**" means the direct and indirect shareholders and beneficial owners of the Issuer as of the Issue Date and their Affiliates.

"**Due Date**" has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

"**Derivative Transaction**" has the meaning set forth in item (e) of the definition "Permitted Debt" below.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is ninety-one (91) days after the date on which the Bonds mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the restrictions set out in Condition 11.2 (*Distributions*). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of these Terms and Conditions will be the maximum amount that the Issuer and the Restricted Subsidiaries may become obligated to pay upon the

maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"**EBITDA**" means, in respect of the Relevant Period, the consolidated net profit of the Group from ordinary activities according to the latest Financial Report:

(a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;

(b) before deducting any Net Finance Charges;

(c) before taking into account any exceptional items which are not in line with the ordinary course of business;

(d) before taking into account any Transaction Costs;

(e) not including any accrued interest owing to any Group Company;

(f) before taking into account any unrealized gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

(g) before taking into account any gains or losses on any foreign exchange gains or losses;

(h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;

(i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;

(j) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; and

(k) after adding back any amount attributable to the amortization, depreciation or depletion of assets of Group Companies.

"**Economic Sanctions Law**" means any economic or financial sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other authority, department or agency of the U.S. government, the United Nations, the European Union or any member state thereof.

"**Enforcement Agent**" means the enforcement agent appointed from time to time in the jurisdiction of the relevant Pledgor.

"**Equity Cure**" has the meaning set forth in Condition 12.3 (*Covenant Cure*).

"**Equity Interest**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Listing Event**" means an initial public offering of Capital Stock in the Issuer or a Restricted Subsidiary, or any direct or indirect parent company of the Issuer (the "**Listed Entity**"), from time to time, resulting in that such shares are quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a recognized unregulated marketplace.

"**Equity Listing Market Capitalization**" means an amount equal to (x) the total number of issued and outstanding shares of common stock or common equity interests of the Listed Entity at the time of closing of the Equity Listing Event multiplied by (y) the price per share at which such shares of common stock or common equity interests are sold in such Equity Listing Event.

"**EUR**" means the currency used by the institutions of the European Union and is the official currency of the Eurozone.

"**Event of Default**" means an event, circumstance or situation specified in Condition 13.1.

"**Existing Bonds**" means the following bonds issued by Holdco pursuant to Estonian law governed terms and conditions dated 2 July 2013, as amended and restated on 19 May 2016 and on 8 May 2017 (the "**Estonian T&Cs**") and the relevant Tranche Terms (as defined under the Estonian T&Cs):

(a) the 14% A8 secured notes due 15 October 2019 for a total subscribed amount of EUR 1,294,500.00;

(b) the 14% A9 secured notes due 15 June 2020 for a total subscribed amount of EUR 3,926,200.00;

(c) the 14% A10 secured notes due 15 September 2020 for a total subscribed amount of EUR 3,699,800.00;

(d) the 12% A11 secured notes due 15 February 2021 for a total subscribed amount of EUR 2,953,100.00;

(e) the 13% A12 secured notes due 15 May 2022 for a total subscribed amount of EUR 3,050,200.00.

"**Existing Debt**" means all Financial Indebtedness of Holdco and the Restricted Subsidiaries in existence on the Issue Date, including without limitation Financial Indebtedness provided under the Existing Bonds.

"**Existing Security**" means all Security provided by Holdco and the Restricted Subsidiaries in existence on the Settlement Date. For the sake of clarity, any Security to be released on or about the Settlement Date shall not be deemed an "Existing Security".

"**Extraordinary Resolution**" has the meaning set forth in Condition 16.3 (*Quorum and majority*).

"**FATCA**" has the meaning set forth in Condition 8.1 (*Withholding Tax*).

"**Final Redemption Date**" means 7 August 2023.

"**Finance Charges**" means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalized by any Group Company according to the latest Financial Report (calculated on a consolidated basis) without taking into account any (a) Transaction Costs, (b) unrealized gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis or (c) losses arising on foreign currency revaluations of intercompany balances.

"**Finance Documents**" means:

(a) these Terms and Conditions;

(b) the Guarantees;

(c) the Transaction Security Documents;

(d) the Security Agent Agreement;

(e) the Agent Agreement;

(f) the Enforcement Agent Agreement;

(g) the Intercreditor Agreement (if any); and

(h) any other document designated by the Issuer and the Agent as a Finance Document.

"**Financial Indebtedness**" means any indebtedness in respect of:

(a) monies borrowed or raised, including Market Loans, Shareholder Loans, and shareholders' loans granted on arm lengths terms and conditions;

(b) any Capital Lease Obligation (for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as Capital Lease Obligation);

(c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and treated as a borrowing under the Accounting Principles;

(e) any Derivative Transaction (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);

(f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(f).

"**Financial Report**" means the annual audited consolidated financial statements of Holdco and the quarterly interim unaudited consolidated reports of Holdco, which shall be prepared and made available according to Condition 11.14 (*Financial reporting and information*).

"**First Call Date**" means 7 August 2021 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

"**German Government Bond Rate**" means the yield to maturity at the time of computation of direct obligations of Germany, acting through the Federal German Finance Agency (Ger. *Bundesrepublik Deutschland – Finanzagentur GmbH*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Germany, acting through the Federal German Finance Agency for which a weekly average yield is given, the German Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Germany, acting through the Federal German Finance Agency, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Germany, acting through the Federal German Finance Agency, adjusted to a constant maturity of one year shall be used.

"**Global Bond**" has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

"**Governmental Authority**" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"**Group**" means Holdco and all its Subsidiaries from time to time.

"**Group Company**" means Holdco or any of its Subsidiaries.

"**Guaranteed Obligations**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Secured Creditors (or any of them) under each Finance Document, together with all costs, charges and expenses incurred by any Secured Creditor in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing such liabilities.

"**Guarantee**" has the meaning set forth in Condition 4 (*Guarantee*).

"**Guarantors**" means the Original Guarantors and any Additional Guarantor.

"**Holdco**" means AS IuteCredit Europe, registered in Estonia.

"**Holder**" means any holder of the Bonds, including, for the avoidance of doubt, any person shown for the time being in the records of the relevant clearing systems as the holder of a particular nominal amount of Bonds, collectively "**Holders**".

"**Holders' Meeting**" means a bondholders' meeting among the Holders held in accordance with Condition 16 (*Meeting of Holders*).

"**Incurrence Test**" is met if:

(a) the Interest Coverage Ratio for the Relevant Period ending on the last day of the period covered by the most recent Financial Report (immediately preceding the date on which such additional Financial Indebtedness is incurred, such Disqualified Stock or such preferred stock is issued or such distribution, payment or merger is made, as the case may be) would have been at least 2.00, determined on a *pro forma* basis (including a *pro forma* application of any net proceeds therefrom), as if the additional Financial Indebtedness had been incurred, the Disqualified Stock or the preferred stock had been issued or the distribution, payment or merger had been made, as the case may be, at the beginning of such Relevant Period; and, unless otherwise stated in these Terms and Conditions,

(b) the Capitalization Ratio of Holdco on a consolidated basis is at least 20 per cent, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), at the time of and immediately after giving *pro forma* effect to such incurrence;

provided that the figures for calculating the Interest Coverage Ratio (including the figures for EBITDA, Finance Charges and Net Finance Charges) *pro forma* in accordance with the above shall (as applicable) be adjusted so that:

(i) any Financial Indebtedness that has been repaid, repurchased and cancelled by any Group Company during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Relevant Period;

(ii) any Financial Indebtedness that is to be refinanced in connection with the incurrence of such additional Financial Indebtedness shall be excluded, *pro forma*, for the entire Relevant Period;

(iii) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and

(iv) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

"**Initial Nominal Amount**" has the meaning set forth in Condition 2.1 (*Nominal Amount, Currency and Denomination*).

"**Intercreditor Agreement**" means the intercreditor agreement to be entered into between the Security Agent, the Agent and any other security agent, agent, trustee, representative of the Additional Secured Creditors or the Additional Secured Creditors themselves in accordance with and subject to Condition 11.16 (*Additional Secured Creditors*).

"**Insolvency Proceedings**" means, with respect to any person, the winding-up, liquidation, dissolution, bankruptcy, receivership, insolvency or administration of such person or any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated (or, if not a company or corporation, domiciled) or of any jurisdiction in which such person carries on business or has any assets including the seeking of an arrangement, adjustment, protection or relief of creditors.

"**Interest**" means the interest on the Bonds calculated in accordance with Conditions 5.1 (*Interest Rate and Interest Payment Dates*) to 5.3 (*Day Count Fraction*).

"**Interest Coverage Ratio**" means the ratio of EBITDA to Net Finance Charges.

"**Interest Payment Date**" means 7 February and 7 August of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 7 February 2020 and the last Interest Payment Date being the Final Redemption Date).

"**Interest Period**" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of any Subsequent Bond, each period beginning on (and including) the Interest Payment Date falling immediately prior to its issuance and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant), in no case adjusted due to an application of the Business Day Convention.

"**Interest Rate**" means a fixed interest rate of 13 per cent per annum.

"**Issue Date**" means on or about 7 August 2019.

"**Issuer**" means IuteCredit Finance S.à r.l., a private limited liability (*société à responsabilité limitée*) incorporated under the laws of Luxembourg, having its registered address at 14, rue Edward Steichen, L-2540 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 234678.

"**Listed Entity**" has the meaning set forth in the definition "Equity Listing Event" above.

"**Luxembourg**" means the Grand Duchy of Luxembourg and, when used in a geographical sense, means the territory of the Grand Duchy of Luxembourg.

"**Luxembourg Insolvency Event**" means in relation to any company incorporated, domiciled or resident in Luxembourg, such person in Luxembourg:

(a) enters into a voluntary arrangement with its creditors (*concordat préventif de faillite*) pursuant to the law of 14 April 1886 on arrangements to prevent insolvency, as amended; or

(b) is granted a suspension of payments within the meaning of Articles 593 et seq. of the Luxembourg Commercial Code; or

(c) is subject to controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation 24 May 1935 on controlled management; or

(d) is itself or any of its assets the subject of any Insolvency Proceedings commenced pursuant to Articles 437 et seq. of the Luxembourg Commercial Code or any other Insolvency Proceedings pursuant to the Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended, unless the application for such proceedings is dismissed within thirty (30) days from and excluding the day it is filed (unless dismissed on the ground that the costs of the Insolvency Proceedings were likely to exceed the assets of such person (*clôture pour insuffisance d'actifs*)); or

(e) takes any corporate action or is the subject of any legal proceedings commenced against it for its dissolution or liquidation; or

(f) is in a situation of illiquidity (*cessation de paiements*), and without access to credit (*crédit ébranlé*) within the meaning of Article 437 of the Luxembourg Commercial Code.

"**Make Whole Amount**" means an amount equal to the sum of:

(a) the present value on the relevant Record Date of 106.50%, as if such payment originally should have taken place on the First Call Date; and

(b) the present value on the relevant Record Date of the remaining Interest payments (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including the First Call Date;

both calculated by using a discount rate of fifty (50) basis points over the comparable German Government Bond Rate (*i.e*. comparable to the remaining duration of the Bonds until the First Call Date).

"**Market Capitalization**" means an amount equal to the total number of issued and outstanding shares of common stock or common equity interests of the Listed Entity on the date of the declaration of the contemplated Permitted Payment multiplied by the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive Business Days immediately preceding the date of declaration of such contemplated Permitted Payment.

"**Market Loan**" means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market or unregulated recognized market place.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Obligors' ability to perform and comply with their payment and other undertakings under the Finance Documents or (c) the validity or enforceability of the Finance Documents.

"**Material Group Company**" means each Group Company, other than the Bank, holding a Net Loan Portfolio of at least EUR 5,000,000.00.

"**Net Finance Charges**" means, for the Relevant Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for the relevant period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group (and excluding any (a) payment-in-kind interest capitalized on Shareholder Loans, (b) gains arising on foreign currency revaluations of intercompany balances or (c) income on pension balances).

"**Net Loan Portfolio**" means, as of any date of determination, the sum of loans and receivables minus allowances for loss of Holdco and any Group Company as set forth on the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report, prepared in accordance with the Accounting Principles.

"**Net Proceeds**" means the proceeds from the Bond Issue, after deduction has been made for the transaction costs payable by the Issuer for the services provided in relation to the placement and issuance of the Bonds.

"**New Shareholder Injections**" means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Issuer or for subordinated loan notes or other subordinated debt instruments in the Issuer on terms acceptable to the Agent.

"**Nominal Amount**" means the Initial Nominal Amount, or, if the principal amount of the Bonds have been partially repaid, the reduced nominal amount of the Bonds.

"**Obligors**" means the Issuer, the Guarantors and the Promissory Note Provider.

"**Ordinary Resolution**" has the meaning set forth in Condition 16.3 (*Quorum and majority*).

"**Original Guarantor**" means the entities listed under Schedule 1 hereto.

"**Original Pledgors**" means the entities listed under Schedule 2 hereto.

"**Payment Day**" has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

"**Parallel Debt**" has the meaning set forth in Condition 10.4(a) (*Parallel Debt*).

"**Original Secured Creditors**" means the Holders.

"**Paying Agent**" has the meaning set forth in Condition 14.1 (*Paying Agent*).

"**Permitted Basket**" has the meaning set forth in item (m) of the definition "Permitted Debt" below.

"**Permitted Business**" means any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities, in which Holdco and its Restricted Subsidiaries other than the Bank are engaged on the Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities, including any securitization of loan receivables.

"**Permitted Debt**" means any Financial Indebtedness:

(a) incurred by Holdco or any of the Restricted Subsidiaries under the Finance Documents (including pursuant to any Subsequent Bond issue, up to an overall principal amount of EUR 125,000,000 in case debt incurred in relation to marketplace lending platforms and/or peer-to-peer platforms shall be refinanced);

(b) incurred by Holdco or any of the Restricted Subsidiaries under any Existing Debt;

(c) the incurrence by Holdco or any of the Restricted Subsidiaries of Financial Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other financings, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of design, development, construction, lease, installation or improvement of property, plant or equipment used in the business of Holdco or any of the Restricted Subsidiaries and including any reasonable related fees or expenses incurred in connection with such acquisition or development, in an aggregate principal amount not to exceed the greater of (i) EUR 10,000,000.00 and (ii) 15 per cent. of Consolidated Total Assets at any time outstanding;

(d) incurred by Holdco or any of the Restricted Subsidiaries as intercompany Financial Indebtedness provided by the Issuer or a Restricted Subsidiary, provided, however, that: (i) if (A) Holdco or any Guarantor or the Promissory Note Provider is the obligor of any such Financial Indebtedness and (B) the payee is not Holdco or a Guarantor or the Promissory Note Provider, then such Financial Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due under the Finance Documents; and (ii) (A) any subsequent issuance or transfer of Equity Interests that results in any Financial Indebtedness incurred under this Condition being held by a Person other than Holdco or a Restricted Subsidiary; and (B) any sale or other transfer of any Financial Indebtedness incurred under this Condition to a Person that is not either Holdco or a Restricted Subsidiary will be deemed, in each case, to constitute an incurrence of such Financial Indebtedness by Holdco or such Restricted Subsidiary, as the case may be, that was not permitted by this Condition;

(e) arising under a derivative transaction entered into by Holdco or a Restricted Subsidiary in connection with protection against or benefit from fluctuation in any rate or price ("**Derivative Transaction**") where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions (excluding for the avoidance of doubt any

derivative transaction which in itself is entered into for investment or speculative purposes);

(f) the guarantee by Holdco or any Guarantor or the Promissory Note Provider of Financial Indebtedness of the Issuer or a Guarantor or the Promissory Note Provider, to the extent that the guaranteed Financial Indebtedness was permitted to be incurred by another provision of these Terms and Conditions; provided that, if the Financial Indebtedness being guaranteed is subordinated to or *pari passu* with the Bonds, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Financial Indebtedness guaranteed;

(g) incurred by Holdco or any of the Restricted Subsidiaries as a result from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Financial Indebtedness is covered within five (5) Business Days;

(h) incurred as a result of Holdco or a Guarantor or the Promissory Note Provider acquiring or merging with another entity and which is due to the fact that such entity holds Financial Indebtedness, provided that: either (i) Holdco would be permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis including the acquired or merged entity, as the case may be, as if acquired or merged, as the case may be, at the beginning of the relevant Period ending on the last day of the period covered by the most recent Financial Report); or (ii) each of the Interest Coverage Ratio and the Capitalization Ratio of Holdco and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such acquisition or merger (in each case calculated on a *pro forma* basis including the acquired or merged entity, as the case may be);

(i) incurred by Holdco or any Restricted Subsidiaries under a Shareholder Loan;

(j) incurred by Holdco or any of the Restricted Subsidiaries in the ordinary course of business under the Advance Purchase Agreements, under any pension and tax liabilities and related to any agreements under which Holdco or a Restricted Subsidiary leases office space or other premises;

(k) Financial Indebtedness owed on a short-term basis of no longer than thirty (30) Business Days to banks and other financial institutions incurred in the ordinary course of business of Holdco or the Guarantors or the Promissory Note Provider with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer, the Guarantors or the Promissory Note Provider, in an aggregate principal amount not to exceed EUR 1,000,000.00;

(l) incurred by a Guarantor or the Promissory Note Provider as a loan and/or a buyback guarantee granted in the context of the sale, lease, license, assignment, transfer, disposal, encumbrance or pledge to marketplace lending platforms and/or peer-to-peer platforms of loans, receivables and claims owned by such Guarantor or the Promissory Note Provider up to an aggregate principal amount of EUR 75,000,000.00, (i) provided that such

sale, lease, license, assignment, transfer, disposal, encumbrance or pledge is limited to 60 per cent of the Net Loan Portfolio of such Guarantor or the Promissory Note Provider and (ii) the interest payable for each loan disposed or encumbered to the relevant market lending platform and/or peer-to-peer platform shall not exceed a rate of 16 per cent. per year provided the loans are denominated in EUR, exclusive of any service fees and taxation, if applicable;

(m) Financial Indebtedness incurred by a Guarantor or the Promissory Note Provider in an aggregate principal amount (or accreted value, as applicable) which, when taken together with the principal amount of any other Financial Indebtedness incurred under this item (m) and outstanding will not exceed 20 per cent. of the Net Loan Portfolio of such Guarantor or the Promissory Note Provider (all such Financial Indebtedness is together referred to as the "**Permitted Basket**");

(n) incurred by the Issuer, Holdco or any Restricted Subsidiaries in accordance with and subject to Condition 11.4(a).

"**Permitted Loans**" means:

(a) any loan granted by Holdco or any of the Restricted Subsidiaries as intercompany Financial Indebtedness to Holdco or a Restricted Subsidiary;

(b) any guarantee of Financial Indebtedness permitted to be incurred under Condition 11.4 (*Financial Indebtedness and Disqualified Stock*) and the definition "Permitted Debt" above;

(c) any loan arising under a Derivative Transaction;

(d) any loan existing on the Issue Date; provided that the amount of any such loan may be increased (i) as required by the terms of such loan (as in existence on the Issue Date) and (ii) as otherwise permitted under these Terms and Conditions;

(e) any loan acquired after the Issue Date as a result of the acquisition by Holdco or any Restricted Subsidiary or another Person (including by way of a merger, amalgamation or consolidation with or into Holdco or any Restricted Subsidiary) in a transaction that is permitted under these Terms and Conditions;

(f) any loan granted in the ordinary course of business (including lease, leaseback, consumer loans or participations therein arising in the ordinary course of business);

(g) any subscription by Holdco or any Restricted Subsidiary of debt securities issued in connection with a securitization transaction;

(h) loans or advances to employees made in the ordinary course of business of Holdco or any Guarantor or the Promissory Note Provider in an aggregate principal amount not to exceed EUR 2,000,000 at any time outstanding;

(i) loans, advances or guarantees to directors, officers and employers of Holdco or any Guarantor or the Promissory Note Provider to cover, travel, entertainment or moving-related expenses enacted in the ordinary course of business; and

(j) any financing provided by Holdco for the acquisition of any Capital Stock of the Bank.

"**Permitted Payments**" means:

(a) so long as no Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with these Terms and Conditions; and

(b) so long as no Event of Default has occurred and is continuing (or would result therefrom), any declaration of payment by Holdco or a Restricted Subsidiary of distributions to an employee of a Group Company in the context of employee incentive schemes, in an amount not to exceed 3% of the net income of the Group per financial year.

"**Permitted Security**" means any Security:

(a) provided in accordance with the Finance Documents;

(b) which is an Existing Security;

(c) provided in relation to any agreement under which Holdco or a Restricted Subsidiary leases office space or other premises provided such lease constitutes Permitted Debt;

(d) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);

(e) provided in relation to a Derivative Transaction;

(f) incurred as a result of Holdco or a Restricted Subsidiary acquiring another entity and which is due to that such acquired entity has provided security, provided that the debt secured with such security constitutes Permitted Debt in accordance with item (h) of the definition "Permitted Debt" above;

(g) provided to secure Financial Indebtedness permitted by item (c) of the definition "Permitted Debt" above, covering only the assets acquired with or financed by such Financial Indebtedness;

(h) provided to secure Financial Indebtedness permitted by item (l) of the definition "Permitted Debt" above;

(i) over assets or property of a Restricted Subsidiary that is not a Guarantor or the Promissory Note Provider securing Financial Indebtedness of any

Restricted Subsidiary that is not a Guarantor or the Promissory Note Provider;

(j) over assets or property of Holdco or any Restricted Subsidiary securing Financial Indebtedness or other obligations of Holdco or such Restricted Subsidiary owing to Holdco or another Restricted Subsidiary, or Security in favour of Holdco or any Restricted Subsidiary;

(k) provided in relation to the Permitted Basket; and

(l) provided to secure Additional Secured Obligations.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

"**Pledgors**" means the Original Pledgors and any Additional Pledgor.

"**Pledgors Accounts**" means primary bank accounts of the Pledgors to be pledged in favour of the Security Agent acting for the Holders under the Account Pledge Agreements in accordance with Condition 11.11 (*Additional Transaction Security*).

"**Promissory Note Provider**" means IuteCredit Macedonia DOOEL Skopje, registered in North Macedonia.

"**Put Option Trigger Event**" means any of the following events, circumstance or situation:

(a) a Change of Control Event;

(b) any requirement of Condition 12.1 (*Financial Conditions*) is not satisfied (unless remedied in accordance with the provisions of Condition 12.3 (*Covenant Cure*)); and

(c) any Ultimate Beneficial Owner of Holdco is or becomes a Sanctioned Person.

"**Record Date**" means the Business Day prior to (a) an Interest Payment Date, (b) a Redemption Date, (c) a date on which a payment to the Holders is to be made, (d) the date of a Holders' Meeting or (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the German bond market.

"**Redemption Date**" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Condition 6 (*Maturity, Redemption, Early Redemption, Repurchase*).

"**Regulated Market**" means any regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (recast)).

"**Relevant Period**" means each period of twelve (12) consecutive calendar months.

"**Restricted Payment**" has the meaning set forth in Condition 11.2 (*Distributions*).

"**Relevant Taxing Jurisdiction**" means (a) Estonia, Luxembourg or any political subdivision or Governmental Authority thereof or therein having power to tax, (b) any jurisdiction from or through which payment on any Bond or Guarantee is made by the Issuer, any Guarantor, the Promissory Note Provider or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (c) any other jurisdiction in which the Issuer or Guarantors or the Promissory Note Provider are incorporated or organized, resident for tax purposes.

"**Restricted Subsidiaries**" means any Subsidiary of Holdco, including the Issuer, the Guarantors and the Promissory Note Provider that is not an Unrestricted Subsidiary.

"**Sanctioned Person**" means any person, organization or vessel:

(a) designated on the OFAC list of Specially Designated Nationals and Blocked Persons or on the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, or on the Consolidated List of Financial Sanctions Targets maintained by the UK Treasury, or on any list of blocked persons issued under the Economic Sanctions Law of any other country;

(b) that is, or is part of, a government of a Sanctioned Territory;

(c) owned or controlled by, or acting on behalf of, any of the foregoing; or

(d) located within or operating from a Sanctioned Territory,

except that "Sanctioned Person" does not include a person listed on the US Sectoral Sanctions Identifications List or Annex III of Regulation (EU) No 833/2014 of 31 July 2014, or any successor thereto.

"**Sanctioned Territory**" means any country or other territory subject to a general export, import, financial or investment embargo under Economic Sanctions Law.

"**Secured Creditors**" means the Original Secured Creditors and any Additional Secured Creditor.

"**Secured Obligations**" means (i) subject to any limitation under the relevant Transaction Security Documents, all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligors towards the Secured Creditors under or in connection with these Terms and Conditions and the other Finance Documents, and (ii) any Additional Secured Obligations.

"**Security**" has the meaning set forth in Condition 11.5 (*Negative pledge*).

"**Security Agent**" means, Greenmarck Restructuring Solution GmbH, or subsequently any other security agent, appointed by the Secured Creditors from time to time pursuant, to the Security Agent Agreement, holding the Transaction Security on behalf of the Secured Creditors.

"**Security Agent Agreement**" means the security agent agreement entered into on or about the Issue Date between the Issuer and the Security Agent, or any

replacement security agent agreement entered into after the Issue Date between the Issuer and the Security Agent.

"**Settlement Date**" means on or about 7 August 2019.

"**Shareholder Loan**" means any loan raised by Holdco from its current or previous direct or indirect shareholder, if such shareholder loan (a) according to its terms, is subordinated to the obligations of the Obligors under the Finance Documents, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date and according to its terms yield only payment-in-kind interest or where payment of principal and interest can only be made under Condition 11.2 (*Distributions*).

"**Subsequent Bond**" means any issue of Bonds or other debt instruments in accordance with Condition 15 (*Further Issues*).

"**Subsidiary**" means, in relation to any person, any legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners or (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

"**Taxes**" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including, without limitation, interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"**Third Party**" means any Person other than Holdco or the Restricted Subsidiaries.

"**Transaction Costs**" means all fees, costs and expenses incurred by a Group Company in connection with (a) the Bond Issue or a Subsequent Bond issue and (b) the listing of the Bonds on the Frankfurt Stock Exchange.

"**Transaction Security**" means the Securities granted to secure the Secured Obligations pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means each security agreement, to be entered into between the Pledgors, the Promissory Note Provider and the Security Agent (on behalf of the Secured Creditors), purporting to create a Security in favour of the Secured Creditors, in particular:

(a) Luxembourg security documents (the "**Luxembourg Transaction Security Documents**"), including:

(i) a Luxembourg law governed share pledge agreement creating a first ranking pledge over all the shares held by Holdco in the Issuer (the "**Luxembourg Share Pledge Agreement**") to be entered into on or about the Issue Date;

(ii) a Luxembourg law governed receivables pledge agreement creating a first ranking pledge over present and future material loan

receivables granted by the Issuer to Holdco or other Group Companies (the "**Luxembourg Receivables Pledge Agreement**") to be entered into on or about the Issue Date;

(iii) a Luxembourg account pledge agreement creating a first ranking pledge over primary bank accounts held by the Issuer (the "**Luxembourg Account Pledge Agreement**") to be entered into in accordance with Condition 11.11 (*Additional Transaction Security*);

(b) Estonian security documents (the "**Estonian Transaction Security Documents**"), including:

(i) an Estonian law governed receivables pledge agreement creating a first ranking pledge over present and future material loan receivables granted by Holdco to other Group Company (the "**Estonian Receivables Pledge Agreement**") to be entered into on or about the Issue Date;

(ii) an Estonian law governed account pledge agreement creating a first ranking pledge over primary bank accounts held by Holdco (the "**Estonian Account Pledge Agreement**") to be entered into in accordance with Condition 11.11 (*Additional Transaction Security*);

(c) Moldovan security documents (the "**Moldovan Transaction Security Documents**"), including:

(i) a Moldovan law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by O.C.N. OM "IUTE CREDIT" S.R.L. to its customers (the "**Moldovan Customer Receivables Pledge Agreement**") to be entered into on or about the Issue Date;

(ii) a Moldovan law governed account pledge agreement creating a first ranking pledge over primary bank accounts held by O.C.N. OM "IUTE CREDIT" S.R.L. (the "**Moldovan Account Pledge Agreement**") to be entered into in accordance with Condition 11.11 (*Additional Transaction Security*);

(d) Kosovan security documents (the "**Kosovan Transaction Security Documents**"), including:

(i) a Kosovan law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by IuteCredit Kosovo J.S.C to its customers (the "**Kosovan Customer Receivables Pledge Agreement"**) to be entered into on or about the Issue Date;

(ii) a Kosovan law governed account pledge agreement creating a first ranking pledge over primary bank accounts held by IuteCredit Kosovo J.S.C (the "**Kosovan Account Pledge Agreement**") to be entered into in accordance with Condition 11.11 *(Additional Transaction Security*);

(e) Albanian security documents (the "**Albanian Transaction Security Documents**"), including:

(i) an Albanian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by IuteCredit Albania SH.A to its customers (the "**Albanian Customer Receivables Pledge Agreement"**) to be entered into on or about the Issue Date;

(ii) an Albanian law governed account pledge agreement creating a first ranking pledge over primary bank accounts held by IuteCredit Albania SH.A (the "**Albanian Account Pledge Agreement**") to be entered into in accordance with Condition 11.11 *(Additional Transaction Security*);

(f) Macedonian security documents (the "**Macedonian Transaction Security Documents**"), including:

(i) a Macedonian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by IuteCredit Macedonia DOOEL Skopje to its customers (the "**North Macedonian Customer Receivables Pledge Agreement**") to be entered into on or about the Issue Date; and

(ii) a Macedonian law governed promissory note granted by IuteCredit Macedonia DOOEL Skopje in the form of a notarial deed, creating a security over all assets of IuteCredit Macedonia DOOEL Skopje, including funds on bank accounts, movable assets, real estate, shares in other companies, receivables and other proprietary rights (the "**Promissory Note**").

"**Unrestricted Subsidiary**" means any Subsidiary of Holdco other than the Issuer, the Guarantors or the Promissory Note Provider that is designated by the board of directors of Holdco as an Unrestricted Subsidiary pursuant to a resolution of the board of directors, but only to the extent that such Subsidiary:

(a) has no Financial Indebtedness other than Financial Indebtedness (i) as to which neither Holdco nor any of the Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Financial Indebtedness) or (B) is directly or indirectly liable as a guarantor or otherwise and (ii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of Holdco or any of the Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary); except to the extent that Holdco or the relevant Restricted Subsidiary would be permitted to provide credit support, or be directly or indirectly liable as a guarantor or otherwise, pursuant to Condition 11.4 (*Financial Indebtedness and Disqualified Stock*);

(b) except as permitted under these Terms and Conditions, is not party to any agreement, contract, arrangement or understanding with Holdco or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to Holdco or such

Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Holdco;

(c) is a Person with respect to which neither Holdco nor any of the Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe or additional Equity Interests or (ii) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(d) has not guaranteed or otherwise directly or indirectly provided credit support for any Financial Indebtedness of Holdco or any of the Restricted Subsidiaries.

"**Ultimate Beneficial Owner**" has the meaning ascribed to such term under the Luxembourg law of 12 November 2004 relating to the fight against money laundering and against financing of terrorism, as amended.

"**Vote without Meeting**" has the meaning set forth in Condition 16.13 (*Resolution in writing*).

1.2 Construction

(a) Unless a contrary indication appears, any reference in these Terms and Conditions to:

- "**assets**" includes present and future properties, revenues and rights of every description;
- any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- a "**regulation**" includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- an Event of Default is continuing if it has not been remedied or waived;
- an "**enforcement**" of a Guarantee means making a demand for payment under a Guarantee;
- a provision of law is a reference to that provision as amended or re-enacted; and
- a time of day is a reference to Frankfurt/Main time.

(b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the German Central Bank (Ger: *Deutsche Bundesbank*) on its website (www.bundesbank.de). If no such rate is available, the most recently published rate shall be used instead.

(c) No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. NOMINAL AMOUNT, FORM, GLOBAL BOND, TITLE

2.1 Nominal Amount, Currency and Denomination

This issue of the Issuer, in the aggregate amount of EUR 40,000,000.00 (in words: forty million Euros (the "**Issuer Currency**")) is divided into bonds (the "**Bonds**") payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 1,000.00 (the "**Initial Nominal Amount**") each. Trading of the Bonds in the secondary market is permitted for the Initial Nominal Amount.

2.2 Form

The Bonds are being issued in bearer form.

2.3 Global Bond and Custody

The Bonds will be represented by a global bond (the "**Global Bond**") deposited with, or on behalf of, a common depository for the accounts of Clearstream Banking S.A., Luxembourg ("**Clearstream, Luxembourg**"), and Euroclear Bank S.A/N.V., Brussels ("**Euroclear**"), as operator of the Euroclear system. The Global Bond will be deposited with Clearstream, Luxembourg, business address 42, Av. J.F. Kennedy, L-1855 Luxembourg, together with any successor in such capacity (the "**Clearing System**") until all obligations of the Issuer under the Bonds have been satisfied.

The Global Bond will only be exchangeable for definitive Bonds if either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so (other than in the case of a merger or consolidation of Clearstream, Luxembourg and Euroclear).

2.4 Transfer and Title

A transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon payment by the relevant Holder of any tax or other governmental charges which may be imposed in relation to it. For the avoidance of doubt, any depositary bank used by a Holder for the safe custody of the Bonds (including without limitation the Clearing System) may charge fees for a transfer of the Bonds.

3. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with all general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among themselves and at least *pari passu* with any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Bonds, save for certain mandatory exceptions provided by statutory law.

4. GUARANTEE

4.1 Guarantee

The Guarantors have given an unconditional and irrevocable guarantee governed by the laws of the Grand Duchy of Luxembourg (the "**Guarantee**") for the due and punctual payment of principal of, and interest on, and any other amounts payable by the Issuer under the Bonds.

4.2 Status of the Guarantee

The Guarantee will rank *pari passu* with all of the Guarantors' existing and future senior unsecured debt and senior to all of their existing and future subordinated debt, notwithstanding certain limitation under the laws of the relevant Guarantor's jurisdiction.

4.3 Limitations by statutory law

The obligations and liabilities of and the guarantee issued by each Guarantor under the Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the respective jurisdiction in which each of the Guarantors are incorporated.

4.4 In accordance with the Guarantee, and in addition to the payment guarantees described in Condition 4.1:

(a) the Issuer shall procure that, to the extent applicable to any Group Company not being Guarantors, each of such Group Company complies with Conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Security*), 11.12 (*Dealings with related parties*), 11.13 (*Compliance with law*), 11.14 (*Financial reporting and information*) and 11.16 (*Additional Secured Creditors*); and

(b) the Guarantors shall undertake to comply with Conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Security*), 11.12 (*Dealings with related parties*), 11.13 (*Compliance with law*), 11.14 (*Financial reporting and information*) and 11.16 (*Additional Secured Creditors*).

4.5 Pursuant to the Guarantee the Issuer shall procure that the Guarantees and all documents relating thereto are duly executed by the relevant Guarantor in favour of the Holders and that such documents are legally valid, enforceable and in full force and effect according to their terms. The Issuer shall procure the execution of such further documentation by the Guarantors as the Agent may reasonably require in order for the Holders to at all times maintain the guarantee position envisaged under these Terms and Conditions and the Guarantees.

4.6 If a Holders' Meeting (Condition 16.2) has been convened, or a Vote without Meeting (Condition 16.13) instigated, to decide on the termination of the Bonds

and/or the enforcement of all or any of the Guarantees, the Agent is obligated, to take actions in accordance with the Holders' decision regarding the Guarantees. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Agent shall not enforce any of the Guarantees. If the Holders, without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the Guarantees in accordance with the procedures set out in Conditions 16.2 (*Convening of physical meeting*) and 16.13 (*Resolution in writing*), the Agent shall promptly declare the Bonds terminated and enforce the Guarantees. The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.

4.7 For the purpose of exercising the rights of the Holders and the Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any Guarantees, the Issuer irrevocably authorizes and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders and, for the same purpose, grant the Agent with the widest power to perform any action, enter into any agreement and execute any document. To the extent permissible by law, the powers set out in this Condition 4.7 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall, and shall procure that the Guarantors, immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), which the Agent deems necessary for the purpose of carrying out its duties.

4.8 The Agent shall, upon the Issuer's written request and expense, promptly release a Guarantor from its obligations under a Guarantee:

(a) in connection with (i) any sale or other disposal of Equity Interests whether by direct sale or sale of a holding company of that Guarantor or by way of merger, consolidation or otherwise or (ii) any sale or other disposal of all or substantially all of the assets of that Guarantor; to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, provided however, that such sale or other disposal does not violate Condition 11.7 (*Disposals of assets*) or Condition 11.8 (*Mergers*);

(b) Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition; and

(c) when all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Bonds shall bear interest at the Interest Rate per annum on their Nominal Amount from the Issue Date (the "**Interest Commencement Date**"). Interest shall be

payable semi-annually in arrears on each Interest Payment Date, commencing on the Interest Commencement Date. Interest shall cease to accrue with the expiration of the day preceding the day of repayment.

5.2 Default Interest

If the Issuer fails to redeem the Bonds on the day on which they become due for redemption within five Business Days, default interest shall accrue on the overdue amount from, but excluding the due date up to and including the date of actual payment at a rate, which is 2 per cent. higher than the Interest Rate.

5.3 Day Count Fraction

Where interest is to be calculated in respect of a period which is shorter than or equal to a full Interest Period, the interest will be calculated on the basis of Rule 251 ICMA (ACT/ACT).

"**Interest Period**" means the period from, and including, the Issue Date to, but excluding, the first Interest Payment Date and thereafter from, and including, each relevant Interest Payment Date to, but excluding, the next following Interest Payment Date.

6. MATURITY, REDEMPTION, EARLY REDEMPTION, REPURCHASE

6.1 Redemption at maturity

The Issuer shall redeem the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

6.2 The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

6.3 Early voluntary redemption by the Issuer (call option)

(a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Amount together with accrued but unpaid Interest.

(b) Redemption in accordance with this Condition 6.3 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

6.4 Mandatory repurchase due to a Put Option Trigger Event (put option)

(a) Upon a Put Option Trigger Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest; during a period of thirty (30) calendar days following the earlier of (i) a notice from the Issuer of the Put Option Trigger Event pursuant to Condition 11.14 (*Financial reporting and information*) and (ii) such Holder becoming otherwise aware of the occurrence of the Put Option Trigger Event. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Put Option Trigger Event.

(b) The notice from the Issuer pursuant to Condition 11.14 (*Financial reporting and information*) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Condition 11.14 (*Financial reporting and information*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Condition 6.4(a).

(c) The Issuer shall, and shall procure that each Guarantor and the Promissory Note Provider shall, comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Condition 6.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 6.4 by virtue of the conflict.

(d) Any Bonds repurchased by the Issuer pursuant to this Condition 6.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Condition 6.2 (*The Group Companies' purchase of Bonds*).

6.5 Optional redemption for taxation reasons

(a) If the Issuer or any Guarantor or the Promissory Note Provider determines in good faith that, as a result of a Change in Tax Law, the Issuer or any Guarantor or the Promissory Note Provider is, or on the next Interest Payment Date would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or the relevant Guarantor or the Promissory Note Provider, the Issuer may, in its absolute discretion, decide to redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Final Redemption Date. The Issuer shall give not less than twenty (20) and not more than forty (40) Business Days' notice of the redemption to the Agent and the Holders and the repayment per Bond shall be made at 100.00 per cent. of the Nominal Amount (together with accrued but unpaid Interest).

(b) The notice from the Issuer pursuant to Condition 6.5(a) shall not be given (a) earlier than ninety (90) calendar days prior to the earliest date on which the Issuer, the Guarantor or the Promissory Note Provider, as the case may be,

would be obliged to make the relevant payment of Additional Amounts if a payment in respect of the Bonds were then due and (b) unless at the time such notice is given, such obligation to pay the relevant Additional Amounts remains in effect. Prior to giving any notice of redemption pursuant to the foregoing, the Issuer shall deliver to the Agent (i) a declaration in writing stating that it is entitled to effect such redemption and setting forth a statement of facts showing that a Change in Tax Law is at hand and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (ii) a written opinion of an independent tax counsel of recognized standing who is qualified to provide tax advice under the laws of the Relevant Taxing Jurisdiction to the effect that the Issuer, such Guarantor or the Promissory Note Provider has or have been or will become obligated to pay the relevant Additional Amounts as a result of a Change in Tax Law. The Agent shall accept such declaration and opinion as sufficient evidence that a Change in Tax Law is at hand without further inquiry, in which event it shall be conclusive and binding on the Holders.

(c) In the case of redemption due to withholding as a result of a Change in Tax Law such Change in Tax Law must become effective on or after the Issue Date.

6.6 Equity claw back

Upon an Equity Listing Event, the Issuer may on one occasion repay up to 35.00 per cent. of the total Nominal Amount (provided at least 65.00 per cent. of the total Nominal Amount remains outstanding after such repayment), in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date within one hundred eighty (180) calendar days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer or the Restricted Subsidiaries as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering). The Issuer shall give not less than twenty (20) Business Days' notice of the repayment to the Agent and the Holders and the repayment per Bond shall be made at 103 per cent of the Nominal Amount or at the relevant Call Option Amount (both multiplied by the percentage redeemed), if such amount is lower (rounded down to the nearest EUR 1.00).

7. PAYMENTS

7.1 Currency

All payments on the Bonds shall be made by the Issuer in Euro.

7.2 Payments

Payments of principal, interest and all other cash payments payable on the Bonds shall be made by the Issuer on the relevant due date to the Paying Agent (Condition 14.1), for on-payment to the Clearing System for credit to the accounts of the respective accountholders in the Clearing System. All payments made to the

Clearing System or to its order shall discharge the liability of the Issuer under the Bonds to the extent of the amounts so paid.

7.3 Payment Date/Due Date

For the purposes of these Terms and Conditions, "**payment date**" means the day on which the payment is actually to be made, and "**due date**" means the payment date provided for herein, without taking account of such adjustment.

8. TAXES

8.1 Withholding Tax

All payments under Conditions 4 (*Guarantee*), 5 (*Interest*) and 6 (*Maturity, Redemption, Early Redemption, Repurchase*) in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (i) by the relevant tax authority or any political subdivision or any authority therein that has power to tax or (ii) 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 and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA, unless that withholding or deduction is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA or any law implementing an intergovernmental approach to FATCA). In that event, the Issuer will pay such additional amounts (the "**Additional Amounts**") as the Holders would have received if no such withholding or deduction had been required, except if such Additional Amounts:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it under the Bond; or

(b) are payable by reason of a change in law that becomes effective more than 30 (thirty) days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with Condition 18 (Notices), whichever occurs later; or

(c) are required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA or any law implementing an intergovernmental approach to FATCA.

8.2 Prepayment

If, as a result of any change in, or amendment to, the laws or regulations prevailing in the relevant tax jurisdiction, which change or amendment becomes effective on or after the Issue Date or as a result of any application or official interpretation of such laws or regulations not generally known before that date, taxes or duties are or will be leviable on payments of principal or interest under the Bonds and, by reason of the obligation to pay Additional Amounts as provided in the provision above or

otherwise such taxes or duties are to be borne by the Issuer, Condition 6.5 (*Optional Redemption for Taxation Reasons*) applies.

9. AGENT

9.1 Role and Duties of the Agent

(a) By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorizes the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings as well as certain legal acts as stipulated under these Terms and Conditions (*inter alia* information rights pursuant to Condition 11.14 (*Financial reporting and information*), termination rights pursuant to Condition 13 (*Termination of the Bonds*)) relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorization for the Agent to act on its behalf. The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available upon request of any Holder.

(b) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

(c) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

(d) The Agent may act as agent and/or security trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

(e) The Issuer appoints the Agent also as Holders' representative for the Holders.

(f) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (a) after the occurrence of an Event of Default, (b) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (c) when the Agent is to make a determination under the Finance Documents.

9.2 Limited liability for the Agent

(a) The Agent will only be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document and such liability being limited to an amount which corresponds to the tenfold amount of its annual fees, unless any damages are directly caused by gross negligence (*faute lourde*) or wilful misconduct (*faute intentionnelle / dol*).

(b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.

(c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Agent for that purpose.

(d) The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Condition 16 (*Meetings of Holders*).

9.3 Replacement of the Agent

(a) The Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or the Issuer or by way of Written Procedure initiated by the retiring Agent or the Issuer.

(b) For the replacement of the Agent by appointment of a successor Agent pursuant to Condition 9.3(a), the provisions under Condition 16 (*Meetings of Holders*) and Condition 17 (*Appointment of Holders' Representative*) apply.

10. TRANSACTION SECURITY

10.1 Granting of the Transaction Security

(a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Pledgors and the Promissory Note Provider will grant the Transaction Security to the Secured Creditors as represented by the Security Agent and the Enforcement Agent on the terms set out in the Transaction Security Documents.

(b) The Security Agent shall hold the Transaction Security on behalf of the Secured Creditors and shall have all the claim rights necessary for establishment, perfection, maintenance and enforcement of the Transaction Security, directly or, as the case may be, through the Enforcement Agent, in accordance with the terms of the Transaction Security Documents and the Security Agent Agreement.

(c) Unless and until the Security Agent has received instructions from the Holders in accordance with Condition 16 (*Meeting of Holders*), the Security Agent shall (without first having to obtain the Holders' consent) be entitled to enter into agreements with the Pledgors, the Promissory Note Provider or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Holders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Transaction Security Documents, the Security Agent Agreement and the terms of the Finance Documents, and provided that such agreements or actions are not detrimental to the interests of the Holders.

(d) The Agent shall be entitled to give instructions relating to the Transaction Security to the Security Agent in accordance with the Security Agent Agreement.

10.2 Release of Transaction Security

The Security Agent may at any time release any Transaction Security in accordance with the terms of the Transaction Security Documents and the Security Agent Agreement. For the avoidance of doubt, any Transaction Security will always be released pro rata between the Secured Creditors and the remaining Transaction Security will continue to rank *pari passu* between the Secured Creditors as set forth in the Transaction Security Documents and the Security Agent Agreement.

10.3 Enforcement of Transaction Security

(a) The Security Agent may only take action to accelerate or enforce any Transaction Security in accordance with the terms of the Security Agent Agreement and the Transaction Security Documents.

(b) Upon an enforcement of the Transaction Security or following receipt of any recovery after the occurrence of an insolvency event of the Issuer, the enforcement proceeds and any amount of recoveries will, pursuant to the Security Agent Agreement, be distributed towards discharge of the liabilities under these Terms and Conditions and the Bonds.

(c) All Transaction Security or arrangement having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any enforcement.

10.4 Parallel Debt

(a) To the extent that any debt of the Issuer, Holdco or any Subsidiary of Holdco (including any debt under the Bonds) is secured by any Transaction Security, Guarantee or indemnity that also secures the Bonds in accordance with these Terms and Conditions (together, the "**Corresponding Debt**"), the Issuer, Holdco and its relevant Subsidiary shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt (the "**Parallel Debt**"). The Security Agent is a joint creditor (together with the other Secured Creditors) of the Corresponding Debt and, accordingly, the Security

Agent shall have its own independent right to demand performance by the Issuer, Holdco or any Subsidiary of Holdco thereunder.

(b) The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Debt and the Parallel Debt will be equal).

(c) In case the Security Agent or the Enforcement Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Transaction Security, Guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the relevant Transaction Security Document (it being understood that the amount that is due to the Holders in accordance with the Conditions will only be reduced with the amount the Security Agent would pay to the Holders under the Parallel Debt or the enforcement of any Transaction Security, Guarantee or indemnity).

11. SPECIAL UNDERTAKINGS

11.1 General

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Condition 11.

11.2 Distributions

(a) The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note not to (a) pay any dividend or make any other payment or distribution on its respective Equity Interests or make any other similar distribution or transfers of value to the Issuer's, the Guarantors' or the Promissory Note Provider's direct or indirect shareholders or the Affiliates of such direct and indirect shareholders (other than dividend or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer), (b) repurchase or redeem any of its respective Equity Interest or the Equity Interest of the Issuer or any direct or indirect parent of the Issuer (including repurchase and redemption with payment to shareholders) or (c) repay principal or pay cash interest under any Shareholder Loans, (items (a)–(c) above are together and individually referred to as a "**Restricted Payment**"); provided, however, that, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, any such Restricted Payment can be made (i) by any Guarantor or the the Promissory Note Provider if such Restricted Payment is made to the Issuer, another Guarantor or the Promissory Note Provider and, if made by any Guarantor or the Promissory Note Provider which is not directly or indirectly wholly-owned by the Issuer, to other Persons on a *pro rata* basis and (ii) by the Issuer, any Guarantor or the Promissory Note Provider, provided that (A) the Issuer would, at the time of such Restricted Payment, have been permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis including the relevant

Restricted Payment as if the Restricted Payment had been made at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report); and (B) the aggregate amount of all Restricted Payments (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (i) above and any Permitted Payment) of the Group made in a financial year does not exceed 25.00 per cent. of the Group's distributable profit.

(b) As long as no Event of Default has occurred and is continuing (or would result therefrom), the restrictions under Condition 11.2(a) shall not prohibit Permitted Payments.

11.3 Listing of Bonds

The Issuer shall ensure (a) upon the Issue Date that the Bonds are listed (included to trading) on the corporate bond list of Frankfurt Stock Exchange (Open Market - Quotation Board) or another comparable trading segment within the EU, continue being listed thereon (b) within six (6) months after the Issue Date that the Bonds are admitted to trading on a Regulated Market at the Frankfurt Stock Exchange or another comparable trading segment within the EU, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes) and (c) that, upon any further issues of Bonds pursuant to Condition 15 (*Further Issues*), the volume of Bonds listed on the Frankfurt Stock Exchange (Open Market - Quotation Board), or the other comparable trading segment within the EU, promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

11.4 Financial Indebtedness and Disqualified Stock

(a) The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note not to, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively for the purpose of this Condition 11.4 and Condition 11.16 (*Additional Secured Creditors*) "**incur**") any Financial Indebtedness or issue any Disqualified Stock or preferred stock, provided, however, that the Issuer may incur Financial Indebtedness or issue Disqualified Stock and the Guarantors and the Promissory Note Provider may incur Financial Indebtedness and issue preferred stock if: (a) the Incurrence Test is met (calculated on a *pro forma* basis as if the additional Financial Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report); and, if a Financial Indebtedness is to be incurred, (b) such Financial Indebtedness ranks *pari passu* with or is unsecured, other than Financial Indebtedness with respect to Additional Secured Obligations, or is subordinated to the obligations of the Issuer, the Guarantors or the Promissory Note Provider under the Finance Documents. The foregoing shall not prohibit the incurrence of any Permitted Debt.

(b) The Issuer shall not incur, and the Guarantors and the Promissory Note Provider have undertaken in, respectively the Guarantee and the Promissory Note not to incur, any Financial Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Financial Indebtedness of the Issuer, such Guarantor or the Promissory Note Provider unless such Financial Indebtedness is also contractually subordinated in right of payment under the Finance Documents on substantially identical terms; provided, however, that no Financial Indebtedness shall be deemed to be contractually subordinated in right of payment to any other Financial Indebtedness of the Issuer, any Guarantor or the Promissory Note Provider solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

11.5 Negative pledge

The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note, not to, create or allow to subsist, retain, provide, prolong or renew any security of any kind (including any mortgage, lien, pledge, charge, security interest or encumbrance) ("**Security**") over any of their assets (present or future) to secure any Financial Indebtedness, provided, however, that the Obligors have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

11.6 Loans out

The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note not to, except for Permitted Loans, be the creditor or guarantor of any Financial Indebtedness.

11.7 Disposals of assets

(a) The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note, not to, sell or otherwise dispose of Equity Interest in any Restricted Subsidiary or of all or substantially all of the Issuer's, any Guarantor's or the Promissory Note Provider's assets or operations to any Person (including the Issuer, the Guarantors and the Promissory Note Provider). The above shall not prevent the following transactions:

(i) the sale or other disposal of Equity Interest in any Restricted Subsidiary, other than the Guarantors and the Promissory Note Provider, (i) to the Issuer or the Restricted Subsidiaries and (ii) to a Person other than the Issuer and the Restricted Subsidiaries provided that the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect;

(ii) the sale or other disposal of Equity Interest in the Issuer, in any of the Guarantors or the Promissory Note Provider or of all or substantially all of the assets or operations of the Issuer, any Guarantor or the Promissory Note Provider to the Issuer, a Guarantor or the Promissory Note Provider;

(iii) the sale or other disposal of Equity Interest in any Guarantor or the Promissory Note Provider to a Person other than the Issuer, the Guarantors and the Promissory Note Provider provided that: (i) the seller of the Equity Interest in the Guarantor or the Promissory Note Provider is the Issuer, a Guarantor or the Promissory Note Provider and that the proceeds from the sale are paid to the Issuer, a Guarantor or the Promissory Note Provider, as applicable; (ii) the transaction is carried out at fair market value and on terms and conditions customary for such transactions; and (iii) such transaction does not have a Material Adverse Effect; and

(iv) the sale or other disposal of all or substantially all of the assets or operations of any Guarantor or the Promissory Note Provider, to a Person other than the Issuer, a Guarantor or the Promissory Note Provider provided that: (i) the proceeds from the sale or other disposal are paid to the Issuer, a Guarantor or the Promissory Note Provider, as applicable; (ii) the transaction is carried out at fair market value and on terms and conditions customary for such transactions; and (iii) such transaction does not have a Material Adverse Effect.

(b) For the avoidance of doubt, the sale or disposal of all or substantially all of the assets or operations in Holdco and the Restricted Subsidiaries taken as a whole shall be governed by Condition 6.4 (*Mandatory repurchase due to a Put Option Trigger Event (put option)*).

11.8 Mergers

The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note not to, directly or indirectly, consolidate or merge with or into another Person. The above shall not prevent the following mergers, provided that they do not have a Material Adverse Effect:

(a) mergers between or among Restricted Subsidiaries;

(b) mergers of the Restricted Subsidiaries into the Issuer;

(c) mergers between or among the Issuer, a Guarantor or the Promissory Note Provider and other Guarantors;

(d) mergers between or among the Restricted Subsidiaries (including the Obligors), provided, in the case of a merger of the Issuer, a Guarantor or the Promissory Note Provider, that the Person formed by or surviving any such merger (if other than the Issuer, a Guarantor or the Promissory Note Provider, as the case may be) assumes all the obligations of the Issuer, the Guarantor or the Promissory Note Provider, as the case may be, under these Terms and Conditions, the Guarantee and the Promissory Note (as applicable) pursuant to accession agreements reasonably satisfactory to the Agent;

(e) mergers of Holdco or a Restricted Subsidiary on the one side and a Third Party on the other side, provided that: (i) the Issuer or the Restricted

Subsidiary, as applicable, is the surviving Person; and (ii) the Issuer would, on the date of the merger, have been permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis as if the merger had been made at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report) or have, both an Interest Coverage Ratio and a Capitalization Ratio not lower than it was immediately prior to giving effect to such transaction;

(f) mergers of a Restricted Subsidiary, other than the Issuer, the Guarantors or the Promissory Note Provider, on the one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as consideration and any other consideration will be held by the Group Company that held the shares of the Restricted Subsidiary previous to the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers; and

(g) mergers of a Guarantor or the Promissory Note Provider on one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as consideration and any other consideration are held by the Issuer, a Guarantor or the Promissory Note Provider, as applicable, post the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers.

11.9 Dividend and other payment restrictions

The Issuer shall not, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note not to create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to: (a) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of the Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Financial Indebtedness owed to the Issuer or any of the Restricted Subsidiaries; (b) make loans or advances to the Issuer or any of the Restricted Subsidiaries; or (c) sell, lease or transfer any of its properties or assets to the Issuer or any of the Restricted Subsidiaries; in each case, only if such encumbrance or restriction result in a Material Adverse Effect and unless such encumbrance or restriction is contained in or related to Financial Indebtedness constituting a Permitted Debt, Permitted Security or Permitted Loan or is otherwise permitted to be incurred under these Terms and Conditions and the terms and conditions for the Additional Secured Obligations.

11.10 Additional Guarantee

The Issuer shall procure that any Restricted Subsidiary of the Issuer which is not a Guarantor as of the Issue Date, except for the Promissory Note Provider, shall become a guarantor of the Bonds within three (3) months after any such Restricted Subsidiary becomes operative (an "**Additional Guarantor**"). Such Additional Guarantor shall be a "Guarantor" and such new Guarantee shall be a "Guarantee" for the purpose of these Terms and Conditions. Notwithstanding the foregoing, the

Issuer shall not be obligated to cause such Restricted Subsidiary to guarantee the Bonds to the extent that such new Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law or regulation which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

11.11 Additional Transaction Security

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that any Restricted Subsidiary of the Issuer which is not a Pledgor as of the Issue Date shall enter (a) into transaction security documents with the Security Agent substantially equivalent to the existing Transaction Security Documents (an "**Additional Pledgor**") and (b) grant pledges over (i) primary bank accounts and (ii) present and future loans receivables granted by such Additional Pledgor to its customers to the benefit of the Security Agent, within ninety (90) calendar days after any such Restricted Subsidiary becomes a Material Group Companies. Such Additional Pledgor shall be a "Pledgor" and such new transaction security documents shall be "Transaction Security Documents" for the purpose of these Terms and Conditions. Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to guarantee the Transaction Security to the extent that such new Transaction Security by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that (a) all Pledgors enter into (i) Account Pledge Agreements and (ii) pledges over present and future loans receivables granted by such Pledgors to customers within ninety (90) calendar days following the Settlement Date and (b) any Additional Pledgor enter into (i) an account pledge agreement (ii) a pledge over present and future loans receivables granted by such Additional Pledgor to customers within ninety (90) calendar days after such Restricted Subsidiary becomes an Additional Pledgor, and such account pledge agreement and receivables pledge agreement shall be "Transaction Security Documents" for the purpose of these Terms and Conditions.

11.12 Dealings with related parties

The Issuer shall, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note to conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

11.13 Compliance with laws

The Issuer shall, and the Guarantors and the Promissory Note Provider have undertaken in, respectively, the Guarantee and the Promissory Note Provider to (a) comply in all material respects with all laws and regulations applicable from time to time and (b) obtain, maintain, and in all material respects comply with, the terms

and conditions of any authorization, approval, licence or other permit required for the business carried out by a Group Company.

11.14 Financial reporting and information

(a) The Issuer shall and/or Holdco has undertaken in the Guarantee to:

(i) prepare and make available the audited annual stand-alone and, for Holdco, consolidated financial statements of the Issuer and Holdco, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's and Holdco's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;

(ii) prepare and make available the unaudited quarterly interim consolidated reports of Holdco, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from Holdco's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;

(iii) hold quarterly earning calls with investors in the Bonds;

(iv) issue a Compliance Certificate to the Agent and make it available on its website (A) in connection with the incurrence of Financial Indebtedness, the issuance of Disqualified Stock or preferred stock, the payment or distribution of any Restricted Payment and a merger under Condition 11.8 (*Mergers*) which requires that the Incurrence Test is met, (B) in connection with the Financial Reports being made available and (C) at the Agent's request, within twenty (20) calendar days from such request;

(v) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website; and

(vi) promptly notify the Agent (and, as regards a Put Option Trigger Event, the Holders) upon becoming aware of the occurrence of (i) a Put Option Trigger Event or an Equity Listing Event, (ii) an Event of Default or (iii) a default or an event of default or put option, howsoever described, under the terms and conditions of the Additional Secured Obligations, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.

(b) The Issuer shall notify the Agent of any transaction referred to in Condition 11.7 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the transaction which the Agent deems necessary (acting reasonably) and, if applicable, (b) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect or not. The

Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (b) above.

(c) The Issuer shall notify the Agent of any merger referred to in Condition 11.8 (*Mergers*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the merger which the Agent deems necessary (acting reasonably), including, in case of a merger where the Issuer, a Guarantor or the Promissory Note Provider is not the surviving entity pursuant to Condition 11.8 an opinion by legal counsel, that the accession agreement executed in connection therewith, these Terms and Conditions and/or the Guarantee are legally valid and binding obligations of the successor Person in accordance with their terms.

11.15 Agent Agreement

(a) The Issuer shall, in accordance with the Agent Agreement:

(i) pay fees to the Agent;

(ii) indemnify the Agent for costs, losses and liabilities;

(iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and

(iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

(b) The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

11.16 Additional Secured Creditors

Should the Issuer, Holdco or any Restricted Subsidiary incur additional Financial Indebtedness as permitted under Condition 11.4 (*Financial Indebtedness and Disqualified Stock*), which would need to be secured by the Transaction Security pursuant to the Transaction Security Documents, the Issuer shall and shall procure that Holdco and the relevant Restricted Subsidiary shall:

(a) enter into an Intercreditor Agreement;

(b) procure that the Additional Secured Creditors, or any such Issuer, Holdco or Restricted Subsidiary acting for the benefit of the Additional Secured Creditors, appoint the Security Agent as their representative for the purpose of enforcing directly or through the Enforcement Agent, the Transaction Security in accordance with and subject to the Transaction Security Documents; and

(c) use best effort to procure that the finance documents pertaining to such Additional Secured Obligations include provisions substantially equivalent to the ones under Condition 10 (*Transaction Security*).

12. FINANCIAL COVENANTS

12.1 Financial Conditions

The Issuer shall ensure that

(a) the Interest Coverage Ratio for the Relevant Period is at least 1.5.; and

(b) the Capitalization Ratio for the Relevant Period is at least 15%.

12.2 Financial Testing

The financial covenants set out in Condition 12.1 (*Financial Conditions*) shall be calculated in accordance with the Accounting Principles and tested by reference to each of the Financial Report of the Issuer delivered pursuant to Condition 11.14(a)(i) and 11.14(a)(ii) and/or each Compliance Certificate delivered pursuant to Condition 11.14(a)(iv)(B).

12.3 Covenant Cure

(a) The shareholders of Holdco may cure or prevent a breach of the financial covenants in Condition 12.1 (*Financial Conditions*) (and any Event of Default arising as a result therefrom) if, prior to or within ninety (90) calendar days of the earlier of (i) the date on which the relevant Financial Report and Compliance Certificate are to be delivered and (ii) the date that such Financial Report and Compliance Certificate were in fact delivered to the Agent pursuant to the terms of this Agreement for any Relevant Period in which such failure to comply was (or would have been) first evidenced, the Issuer receives the cash proceeds of New Shareholder Injections from the shareholders of the Issuer (the "**Equity Cure**"), in an amount at least sufficient to ensure that the financial covenants set out above would be complied with if tested again as at the last day of the same Relevant Period on the basis that any Equity Cure so provided shall be included for the Relevant Period as if provided immediately prior to the last day of such Relevant Period (the "**Adjustment**").

(b) Any new equity and/or subordinated debt so provided in respect of any Relevant Period shall be deemed to have been provided immediately prior to the last date of such Relevant Period and shall be included (without double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.

(c) In relation to any Equity Cure provided prior to the date of delivery of the relevant Compliance Certificate for the Relevant Period, such Compliance Certificate shall set out the revised financial covenants for the Relevant Period by giving effect to the Adjustment set out above and confirming that such Equity Cure has been provided.

(d) In relation to any such Equity Cure so provided following the date of delivery of the relevant Compliance Certificate for the Relevant Period, immediately following the proceeds of that Equity Cure being provided to it, the Issuer shall provide a revised Compliance Certificate to the Agent setting out the revised financial covenants for the Relevant Period by giving effect to the Adjustment.

(e) If, after giving effect to the Adjustment, the requirements of the relevant financial covenants are met, then the requirements thereof shall be deemed to have been satisfied at the relevant original date of determination and any default, Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of the Finance Documents.

13. TERMINATION OF THE BONDS

13.1 The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

(a) Non-payment

any Obligor fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within ten (10) Business Days of the due date;

(b) Other obligations

the Issuer or any other Group Company does not comply with the Finance Documents in any other way than as set out under item (a) (Non-payment) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);

(c) Cross-default and cross-acceleration

(i) an event of default, howsoever described, occurs under any finance document pertaining to any Additional Secured Obligations;

(ii) any Financial Indebtedness of any Material Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of any Material Group Company; or

(iii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under item (ii) and/or (iii) above, individually or in the aggregate exceeds an amount corresponding to EUR 10,000,000 (or its equivalent in any other currency) and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(d) Insolvency

(i) any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness other than the Bonds;

(ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company; or

(iii) a Luxembourg Insolvency Event occurs with respect to the Issuer.

(e) Insolvency proceedings

any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Group Companies other than the Issuer, the Guarantors or the Promissory Note Provider, solvent liquidations) in relation to:

(i) the suspension of payments, winding-up, dissolution, administration or reorganization (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;

(ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or

(iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;

(f) Mergers and demergers

unless allowed under Condition 11.8 (*Mergers*), the Issuer, any Guarantor or the Promissory Note Provider merges with a Person other than the Issuer, a Guarantor or the Promissory Note Provider, or is subject to a demerger, with the effect that the Issuer, the Guarantor or the Promissory Note Provider is not the surviving entity;

(g) Creditors' process

any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any

Material Group Company having an aggregate value equal to or exceeding EUR 10,000,000 (or its equivalent in any other currency) and where such process (i) is not discharged within thirty (30) calendar days or (ii) is being made in bad faith by the claimant, as evidenced by the Issuer to the Agent (such evidence to be accepted or dismissed by the Agent in its sole discretion);

(h) Impossibility or illegality

it is or becomes impossible or unlawful for the Issuer, the Guarantors or the Promissory Note Provider to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable;

(i) Loss of business license

any Guarantor or the Promissory Note Provider loses its business license and such loss of business license has a Material Adverse Effect;

(j) Continuation of the business

any Group Company ceases to carry on its business (except if due to a merger or a disposal of assets as permitted under Conditions 11.7 (*Disposals of assets*) and 11.8 (*Mergers*)) and such event has a Material Adverse Effect.

13.2 Termination for payment prematurely may only occur if the cause of termination is continuing at the time of the Agent's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Condition 13.1(d) (*Insolvency*).

13.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.

13.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Conditions 13.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Condition 13.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Condition 13.1 and provide the Agent with all documents that may be of significance for the application of this Condition 13.

13.5 The Issuer is only obligated to inform the Agent according to Condition 13.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Frankfurt Stock Exchange (or any other stock exchange, as applicable). If such a conflict would exist pursuant to the listing contract with the relevant stock exchange or otherwise, the Issuer shall however be obligated to either seek the approval from the relevant stock exchange or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Condition 13.4.

13.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Condition 13.1, the Agent shall decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Condition 16 (*Meetings of Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.

13.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Condition 16 (*Meetings of Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.

13.8 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.

13.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Condition 13 without relevant decision by the Agent or following instructions from the Holders' pursuant to Condition 16 (*Meetings of Holders*).

13.10 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount.

14. AGENTS

14.1 Paying Agent

The Issuer has appointed BPER Bank Luxembourg SA, to act as paying agent (the "**Paying Agent**"). Changes of address shall be notified in accordance with Condition 18 (*Notices*). In no event will the specified office of the Paying Agent be within the United States or its possessions.

14.2 Calculation Agent

The Issuer has appointed BPER Bank Luxembourg SA, to act as calculation agent (the "**Calculation Agent**"). Changes of address shall be published in accordance with Condition 18 (*Notices*). In no event will the specified office of the Calculation Agent be within the United States or its possessions.

14.3 Substitution

The Issuer will procure that there will at all times be a paying agent as well as a calculation agent. The Issuer may at any time, by giving not less than 30 days' notice appoint another bank of good reputation as Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of any bank as Paying Agent. In the event of such termination or any of such bank being unable or unwilling to continue to act as Paying Agent in the relevant capacity, the Issuer will appoint another bank of good reputation as Paying Agent in the relevant capacity. Such appointment or termination will be published without undue delay in accordance with Condition 18 (*Notices*), or, should this not be possible, be published in another appropriate manner.

14.4 Binding Determinations

All determinations, calculations and adjustments made by any Agent will be made in conjunction with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Holders.

15. FURTHER ISSUES

The Issuer reserves the right to issue from time to time, without the consent of the Holders, additional bonds with substantially identical terms as the Bonds (as the case may be, except for the issue date, interest, commencement date and/or issue price), including in a manner that the same can be consolidated to form a single series of bonds and increase the aggregate principal amount of the Bonds. The term "**Bond**" will, in the event of such consolidation, also comprise such additionally issued bonds. The Issuer shall, however, not be limited in issuing additional bonds, which are not consolidated with the Bonds and which provide for different terms, and having a different ISIN number, as well as in issuing any other debt securities.

16. MEETINGS OF HOLDERS

16.1 General

Articles 470-3 – 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the "**Companies Law**") shall be derogated by this Condition 16.

16.2 Convening of physical meetings

The Issuer may, and shall upon the request in writing signed by any one or more of the Holders holding not less than 10 per cent of the principal amount of all the Bonds for the time being outstanding, directly or through the Agent, convene a meeting of the Holders to be held at such place and by any means as the Issuer shall determine.

At least fourteen (14) clear days' notice shall be given by the Issuer to the Agent and to the Holders by simple letter or electronic mail, or, if to the Holders, through the Clearing System in the conditions provided in Condition 18 (*Notices*). The notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted. The notice shall state that the Holder is entitled to

appoint a proxy to attend and vote on such Holder's behalf for the purposes of Conditions 16.7 (*Poll*) and 16.8 (*Voting*).

Any notice given through the Clearing System shall be deemed to have been given to each Holder on the day after the day on which the said notice was given to the Clearing System.

The accidental failure to give notice to or the non-receipt of notice by the Agent or by the Holder shall not invalidate the proceedings of or any resolution passed at any meeting.

16.3 Quorum and majority

Modification of the Conditions (i) to change the maturity of the Bonds or the date on which interest (if any) is payable in connection with the Bonds, (ii) to reduce the nominal amount of or reduce the interest rate (if any) payable in connection with the Bonds, (iii) to amend the redemption conditions, (iv) to increase or decrease the total interest and Redemption Amount (v) to change majority required to pass a resolution or (vii) to make any other change or amendment to the Conditions or the Transaction Security Documents (other than any modification, authorization or waiver as described in Condition 16.14 (*Amendments and waivers not requiring a Holders' resolution*) below) may only be made by a resolution approved by two-thirds of votes cast (an "**Extraordinary Resolution**").

Other resolutions concerning, inter alia, (i) the approval of any conservatory measure taken in the common interest of the Holders, (ii) the determination of any other measures aimed at defending the Holders' interests or the exercise by the Holders of their rights will be taken by a resolution approved by a simple majority of votes cast (an "**Ordinary Resolution**").

The quorum at any meeting for passing an Extraordinary Resolution or an Ordinary Resolution will be one or more persons holding or representing not less than 50 per cent of the nominal amount of the relevant Bonds for the time being outstanding. Any resolution passed at any meeting of the Holders will be binding on all the relevant Holders (whether or not they were present at the meeting at which such resolution was passed).

If no quorum is present within thirty (30) minutes from the time appointed for any meeting of the Holders, the meeting shall be adjourned to such day (not being less than fourteen (14) days nor more than twenty-eight (28) days after the date of the original meeting) and time and place as the chairman directs. At any such adjourned meeting the Holder or Holders or proxies for Holders present, regardless of the number of Bonds held or represented by them, will constitute a quorum for all purposes. At least seven (7) days' notice of any adjourned meeting of the Holders shall be given. Notice of any adjourned meeting shall, so far as possible, be given in the same manner as for the original meeting and such notice shall state that the Holder or Holders or proxies for the Holders present at such meetings, regardless of the number or the Bonds held or represented by them, will constitute a quorum. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting from which the adjournment took place.

16.4 Chairman

The Issuer may nominate in writing a person to preside as chairman at a meeting but if no such person is nominated or, if at any meeting the person nominated shall not be present within five minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be pro tempore chairman for this meeting. No chairman is requested for a decision that is taken by way of resolution in writing as set out in Condition 16.13 (*Resolution in writing*) below.

16.5 Attendance of members of the board of directors of the Issuer and advisors

The members of the board of directors and the legal and other professional advisors of the Issuer and any other person authorized in that behalf by the Issuer may attend and speak at any meeting.

16.6 Resolutions taken during a physical meeting

A resolution put to the vote of the meeting shall be decided on a show of hands unless before the declaration of the result on the show of hands a poll is demanded by the chairman or by one or more Holders present in person or by proxy and holding or representing in aggregate not less than 5 per cent of the relevant Bonds for the time being outstanding. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

16.7 Poll

If a poll is duly demanded it shall be taken in such manner and at such time and place as the chairman may direct except that a poll demanded on the election of a chairman or any question of adjournment shall be taken at the meeting without adjournment.

No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) days' notice shall be given.

The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

The result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

16.8 Voting

On a poll every Holder who is present in person or by proxy or, in the case of a corporation, by its authorized representatives shall have one vote for every Bond held by him. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

No objection shall be raised to the qualification of any person voting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

16.9 Equality of votes

In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting shall not be entitled to a casting vote.

16.10 Adjournment of meeting

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. No notice of any such adjourned meeting need be given except when the meeting is adjourned for fourteen (14) days or more, in which event at least seven (7) clear days' notice shall be given.

16.11 Proxies

The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorized in writing or, if the appointor is a corporation, signed by an attorney or officer so authorized. The Issuer may but shall not be bound to require evidence of the authority of any such attorney or officer.

A person appointed to act as proxy need not be a Holder. The chairman of the meeting may be designated as a proxy in an instrument of proxy without being named. An instrument of proxy shall be valid for any adjournment of the meeting to which it relates unless the contrary is stated on it.

The instrument appointing a proxy and the power of attorney under which it is signed or a notarially certified copy of such power of attorney shall be deposited at the Issuer's registered office or at such place as may be specified in the notice convening the meeting or any document accompanying such notice not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll to which such instrument relates. Any instrument of proxy not deposited as provided in this Condition 16.11 shall be invalid.

The instrument appointing a proxy shall not have been granted more than twelve (12) months before the meeting at which it is purported to be used.

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given unless notification in writing of the death, insanity or revocation shall have been received at the registered office of the Issuer prior to the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is to be used.

16.12 Minutes

The chairman shall procure that minutes of all resolutions and proceedings at every meeting shall be produced and duly entered in books to be provided for that purpose by the Issuer. Any such minutes as aforesaid if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting of the Holders shall be conclusive evidence of the matters contained in the minutes and until the contrary is proved every such meeting in respect of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed at such meeting to have been duly passed.

16.13 Resolution in writing

Notwithstanding the above, a resolution in writing signed as described in this Condition 16.13 ("**Vote without Meeting**") shall be valid and effectual as if it had been passed at a meeting of the Holders duly convened and held. Such resolution in writing may consist of several documents in the like form each signed by or on behalf of one or more such persons.

A resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Holders.

A resolution in writing signed by or on behalf of the holders of a simple majority in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Ordinary Resolution passed at a meeting of Holders.

A resolution in writing, for which the Holders will express their approval or disapproval electronically, shall for all purposes be as valid and effectual as an Ordinary Resolution or, as the case may be, an Extraordinary Resolution as if it had been passed at a meeting of the Holders duly convened and held.

16.14 Amendments and waivers not requiring a Holders' resolution

The Issuer and the Agent may determine, without liability to any person therefor, any modification of the Terms and Conditions or the Transaction Security Documents, or waiver of any rights thereof, which is, in the opinion of the Issuer and the Agent, of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law and which is in the opinion of the Issuer and the Agent not materially prejudicial to the interests of the Holders. Any such modification, authorization or waiver will be binding on the Holders and such modification will be notified to the Holders as soon as practicable in accordance with Condition 18 (*Notices*).

17. APPOINTMENT OF HOLDERS' REPRESENTATIVE

17.1 The Holders may by majority resolution provide for the dismissal of the Agent who acts pursuant to Condition 9.1(e) also as Holders' representative and shall provide by majority resolution for the appointment of another Holders' representative. Such appointment of the Holders' representative may at the same time also include the appointment as agent under Condition 9 (*Agent*). In the event that such Holders' representative/Agent is to be authorized to consent to a material change in the

substance of the Terms and Conditions or other material matters, the appointment may only be passed by a Qualified Majority.

17.2 If the Holders' representative is also appointed in its capacity as Agent pursuant to Condition 9 (*Agent*), the provisions of Condition 9 (*Agent*) and the provisions of the Agent Agreement apply to such appointed Holders' representative and Agent.

18. NOTICES

18.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

(a) if to the Agent, shall be given at the address Bleichstraße 2-4, 60313 Frankfurt am Main, Germany on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;

(b) if to the Issuer, shall be given at the address 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg or such address notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time;

(c) if to a Guarantor, shall be given to the address stated in the Guarantee or such address notified by the Guarantor to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Guarantor to the Agent from time to time;

(d) if to the Promissory Note Provider, shall be given to the address stated in the Promissory Note or such address notified by the Promissory Note Provider to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Promissory Note Provider to the Agent from time to time; and

(e) if to the Holders, shall be published on the Issuer's website and/or otherwise in accordance with the provisions of legal regulations. A notice will be deemed to be made on the day of its publication (in case of more than one publication, on the day of the first publication). As long as the Bonds are cleared, the Issuer shall also make notifications to the clearing system for communication by the clearing system to the Holders or directly to the Holders, provided this complies with the rules of the stock exchange on which the Bonds are listed. Notifications vis-à-vis the clearing system will be deemed to be effected seven (7) days after the notification of the clearing system, direct notifications of the Holders will be deemed to be effected upon their receipt.

18.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 18.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 18.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Condition 18.1

18.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

19. APPLICABLE LAW AND PLACE OF JURISDICTION

19.1 Governing Law

The Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

19.2 Jurisdiction

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Bonds shall be the courts of Luxembourg, Grand Duchy of Luxembourg. The Issuer and the Holders hereby submit to the jurisdiction of such court.

Schedule 1 – Original Guarantors

Name	Reg. No.	Notice details
AS IuteCredit Europe	11551447	Address: Maakri 19/21, EST-10145 Tallinn, Estonia
O.C.N. OM "IUTE CREDIT" SRL	1008600026223	Address: MD-2001, str. Izmail 84/6, mun. Chisinau, Moldova
IuteCredit Kosovo J.S.C	71358747	Address: B. Klinton Mulliri Praskut Obj.A2 Ll.B-1 Lok nr.2, Kosovo
IuteCredit Albania SH.A	L42011023U	Address: Njesia Administrative Nr.5, Rruga Andon Zako Cajupi, Ndertesa Nr.3, Hyrja 2, Zona Kadastrale 8270, Nr. Pasurie 2/462-N3, Albania
IutePay Bulgaria EOOD	204903721	Address: Bulgaria blvd. 98, entr. D, floor 10, office 19&20 D, Sofia 1680, Bulgaria
MKD IuteCredit BH d.o.o. Sarajevo	4202632880002	Address: Fra Anđela Zvizdovića 1, 71000 Sarajevo, Bosnia Herzegovina
IuteCredit Bulgaria EOOD	205559807	Address: Cherkovna 38, entr. A, Sofia 1505, Bulgaria
IutePay Albania SH.P.K	L81902006O	Address: Rruga Sami Frasheri, Pallati Conad, kati 3, Tirana, Albania

Schedule 2 – Original Pledgors

Name	Reg. No.	Notice details
IuteCredit Finance S.à r.l.	B234678	Address: 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg
AS IuteCredit Europe	11551447	Address: Maakri 19/21, EST-10145 Tallinn, Estonia
O.C.N. OM "IUTE CREDIT" SRL	1008600026223	Address: MD-2001, str. Izmail 84/6, mun. Chisinau, Moldova
IuteCredit Kosovo J.S.C	71358747	Address: B. Klinton Mulliri Praskut Obj.A2 Ll.B-1 Lok nr.2, Kosovo
IuteCredit Albania SH.A	L42011023U	Address: Njesia Administrative Nr.5, Rruga Andon Zako Cajupi, Ndertesa Nr.3, Hyrja 2, Zona Kadastrale 8270, Nr. Pasurie 2/462-N3, Albania
IuteCredit Macedonia DOOEL Skopje	7221290	Address: St. Dame Gruev 3, Skopje – Centre, North Macedonia

XVI. GUARANTEE

GUARANTEE AGREEMENT BETWEEN

(1) The companies listed in Annex 1; (jointly referred to as the "**Guarantors**" and each a "**Guarantor**");

(2) **Greenmarck Restructuring Solutions GmbH**, registered with the lower court of Munich, HRB 187052, with registered office at Widenmayerstraße 16, 80538 Munich, Germany, acting on behalf of the Secured Parties (the "**Security Agent**");

AND

(3) **IuteCredit Finance S.à r.l.**, a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 14, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B234678 (the "**Issuer**").

The Guarantors, the Security Agent and the Issuer are collectively referred to as the "**Parties**" and each individually as a "**Party**".

IT IS AGREED AS FOLLOWS:

1. DEFINITION AND INTERPRETATION

1.1 Definitions

In this first demand guarantee (*garantie autonome à première demande*) (the "**Guarantee**"), the following capitalized terms shall have the meanings set forth below.

"**Obligor**" means the Issuer and each Guarantor.

"**Guaranteed Documents**" means the Finance Documents as defined in the Terms and Conditions.

"**Secured Parties**" has the meaning ascribed to such term in the Terms and Conditions.

"**Terms and Conditions**" means the terms and conditions for the EUR 40,000,000 13% Senior Secured Bonds 2019/2023 to be issued by IuteCredit Finance S.à r.l. on or about 7 August 2019 (the "**Issue Date**").

Terms defined in the Terms and Conditions have the same meaning when used in this Guarantee unless otherwise defined in this Guarantee.

1.2 Interpretation

(a) Save where the contrary intention appears, a reference in this Guarantee to any of the Guaranteed Documents or any other document shall be construed as a reference to such Guaranteed Document or such other documents as

amended, varied, novated assigned, supplemented or restated from time to time, as the case may be, in accordance with its terms.

(b) Save where the contrary intention appears, a reference in this Guarantee to any person or entity shall include any successor, assignee or transferee of such person or entity.

2. GUARANTEE

2.1 The Guarantors hereby unconditionally and irrevocably guarantee by way of an independent payment obligation to each holder of the Bonds (the "**Holders**") the due and punctual payment of principal of, and interest on, and any other amounts payable under the relevant Bonds (the "**Guaranteed Obligations**") under the terms of this Guarantee.

2.2 This Guarantee shall be separate and independent from the obligations of the Issuer and shall exist irrespective of the validity and enforceability of the obligations of the Issuer under the Bonds.

2.3 The Guarantee constitutes an independent payment obligation for the benefit of the Secured Parties, giving rise to the right of each Secured Party to require performance of the Guarantee directly from the Guarantors and to enforce the Guarantee directly against the Guarantors, notwithstanding the possibility to enforce the Guarantee through the Security Agent under the Terms and Conditions and the provisions of this Guarantee. The Parties expressly agree that any reference in this Guarantee to the Guaranteed Documents and to the Terms and Conditions shall under no circumstances be construed as affecting the independent, unconditional and irrevocable nature of the first demand guarantee granted pursuant to this Guarantee.

2.4 The Guarantors irrevocably undertake to pay to the Security Agent upon written first demand (a "**Payment Demand**") of the Security Agent, the amounts payable as principal, interest and other amounts due by the Secured Parties pursuant to the Terms and Conditions on due dates as provided in the Terms and Conditions.

2.5 The intent and purpose of this Guarantee is to ensure that the Secured Parties under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of the Issuer or of any other grounds on the basis of which the Issuer may fail to effect payment, shall receive the amounts payable as principal, interest and other amounts to the Secured Parties pursuant to the Terms and Conditions on due dates as provided in the Terms and Conditions.

2.6 The Guarantee will rank *pari passu* with all of the Guarantors' existing and future senior unsecured debt and senior to all of their existing and future subordinated debt, notwithstanding certain limitation under the laws of the relevant Guarantor's jurisdiction.

2.7 The Obligations of the Guarantors *vis-à-vis* the Security Agent under this Clause 2 shall not be:

(a) satisfied, discharged, lessened, impaired or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of, or any liquidation, winding up or analogous proceedings relating to, any of the Guarantors; and

(b) discharged, prejudiced, lessened, affected or impaired by any act, event, omission or circumstance whatsoever which but for this provision would or might operate to release or exonerate the Guarantors from all or any part of such obligations or in any way discharge, prejudice, lessen, affect or impair the same.

2.8 The Guarantors expressly consent to the Guarantee being independent from any other security granted in connection with the Bonds and waives any right which might result from the release of any such other security.

3. CONDITIONS OF THE GUARANTEE

3.1 The Guarantors hereby irrevocably and unconditionally undertake to pay to the Security Agent, upon the Payment Demand, and in accordance with the conditions set out here below, all sums which the Security Agent may claim hereunder up to a maximum amount of principal of forty million euro (EUR 40,000,000.00), or the equivalent thereof in another currency, plus any interest, taxes or fiscal charges, duties, expenses, fees, rights, levies, indemnities, damages.

3.2 Any Payment demand made by the Security Agent to the Guarantors under this Guarantee shall be made by way of a written notification addressed by the Security Agent to the Guarantors, sent in accordance with the provisions set forth in Clause 14 below and having the following content (each a "**Notification**"):

(a) specifying that the Security Agent is making a Payment Demand under this Guarantee;

(b) specifying the amount due and payable by the Guarantors as well as the currency of payment of such sums; and

(c) providing details of the relevant bank account into which payment should be made, together with relevant instructions as to how payment should be made (if any),

it being understood that:

(d) the Security Agent shall be under no obligation to provide the Guarantor with any additional document nor to support its claim with any other justification or evidence; and

(e) the payment obligation of the Guarantor under this Guarantee is not subject to the accuracy or the merit of any statement, declaration or information contained in any Notification.

3.3 The Guarantors shall make the payment requested in the Notification within two (2) Business Days as from the date of receipt (included) of the relevant Notification and in the currency as requested within the Notification. The Security Agent is entitled to request the payment of any amount in one or several instalments.

3.4 The Guarantors shall ensure that, so long as any of the Bonds are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, the Issuer is at all times an Affiliate of the Guarantors.

4. GUARANTEE LIMITATIONS

The obligations and liabilities of and the guarantee issued by each Guarantor under this Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the respective jurisdiction in which each of the Guarantors are incorporated, including but not limited to the provisions set forth in Annex 2.

5. PAYMENT

5.1 Each Guarantor shall immediately upon receipt of a Payment Demand by the Security Agent make any payment due under this Guarantee to the Security Agent as representative for the Secured Parties.

5.2 All moneys received by the Security Agent, or its designee, in exercise of its rights under this Guarantee shall be applied by the Security Agent in discharge of the Guaranteed Obligations in accordance with the terms of the Terms and Conditions.

5.3 All payments by a Guarantor under this Guarantee shall be paid to the account designated by the Security Agent in full, free of any present or future taxes, levies, duties, charges, fees or withholdings and without any deductions, restrictions, conditions, liens, set off or counterclaim whatsoever from the Guarantor.

6. SPECIAL UNDERTAKINGS

Each Guarantor hereby undertakes to comply with the special undertakings set out in the conditions 11.2 (*Distributions*), 11.3 (*Listing of Bonds*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Security*), 11.12 (*Dealings with related parties*), 11.13 (*Compliance with laws*), 11.14 (*Financial reporting and information*), 11.15 (*Agent Agreement*) and 11.16 (*Additional Secured Creditors*) of the Terms and Conditions.

7. CONTINUING GUARANTEE

7.1 Subject to Clauses 10 and 12, this Guarantee shall be a continuing guarantee and shall not be affected in any way by any variation, extension, waiver, compromise, release or discharge in whole or in part of the Guaranteed Obligations, any Guaranteed Document or of any security or guarantee from time to time therefore. To the extent it can be avoided by any action of the relevant Guarantor or otherwise, this Guarantee shall not be affected by any change in the laws, rules or

regulations of any jurisdiction or by any present or future action of any governmental authority or court.

7.2 This Guarantee shall be in addition to and independent of any other guarantee, pledge or other security given or held by any other Secured Party in respect of the Guaranteed Obligations.

8. IMMEDIATE RECOURSE

8.1 Each Guarantor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantors under this Guarantee.

8.2 This waiver applies irrespective of any law or any provision of a Guaranteed Document to the contrary.

9. WAIVER

9.1 Until the Guaranteed Obligations have been irrevocably paid in full, each Guarantor undertakes not to exercise any right:

(a) of recourse or subrogation;

(b) to be indemnified by an Obligor; or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties or of any Secured Party,

it may have by reason of performance of its obligations under this Guarantee.

9.2 Accordingly, each Guarantor acknowledges that it cannot raise any objection, ground or plea of any kind, in particular based on the Guaranteed Documents, to refuse or delay the performance of its obligations under this Guarantee and/or any payment to be made by it under this Guarantee. In particular, but without limitation, each Guarantor acknowledges that its obligations to make payments hereunder are independent from (i) the validity, regularity and/or enforceability of the Guaranteed Documents and the rights and obligations of the Issuer thereunder, (ii) any absence of action by the Security Agent against the Issuer to enforce the Security Agent's rights under the Guaranteed Documents, (iii) any waiver or consent given by the Security Agent with respect to any provisions of the Guaranteed Documents, (iv) the occurrence of any event whatsoever which could prevent the Issuer from performing any of its obligations, including its payment obligations, under the Guaranteed Documents, including in relation to the opening of any voluntary or judicial insolvency proceedings in any jurisdiction, (vi) any other circumstances which might otherwise constitute a legal discharge of or a defence for such Guarantor.

10. RELEASE

When all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full the Security Agent shall, upon the Issuer's written request and expense, promptly release each Guarantor from its obligations under this Guarantee. However, if any of the Guaranteed Obligations was only temporarily satisfied or maybe set aside by an insolvency administrator or may otherwise be avoidable, the Guarantee shall continue in full force and effect.

11. COSTS AND EXPENSES

All costs and expenses (including legal fees and other out of pocket expenses and value added tax or other similar tax thereon) reasonably incurred by the Security Agent in connection with (i) the execution, preservation or enforcement of this Guarantee, and (ii) any amendment, consent, suspension or release of rights (or any proposal for the same) requested by a Guarantor relating to this Guarantee shall be borne by the relevant Guarantor and each Guarantor shall upon demand indemnify and hold the Security Agent harmless in respect of such reasonable costs and expenses.

12. ASSIGNMENTS

12.1 The Security Agent may assign and transfer all or a part of its rights, claims and obligations under this Guarantee to any assignee or successor appointed in accordance with the Terms and Conditions.

12.2 For the avoidance of doubt, any assignment or transfer of all rights, claims and obligations under the Guaranteed Documents made by the Security Agent or any other Secured Party in accordance with such Guaranteed Documents shall take effect as an assignment and assumption and transfer of all such Secured Party's rights and obligations under this Guarantee.

12.3 No Guarantor may assign or transfer any part of its rights, benefits, claims or obligation under this Guarantee.

13. DURATION

13.1 The Guarantee takes effect on the Issue Date.

13.2 The Guarantee shall expire upon the full and unconditional repayment of the Guaranteed Obligations (the "**Expiry Date**").

13.3 After the Expiry Date, the Guarantors shall be discharged from all obligations under this Guarantee.

14. NOTICE

14.1 Any notice, communication or demand (including a claim hereunder) to be given to each Party in connection with this Guarantee shall be in writing and delivered by hand, email, registered post or courier in accordance with this Clause.

14.2 The address of each Party to this Guarantee in respect of any notice and communications under this Guarantee is the one specified for each Guarantor in Annex 1 and the Issuer and the Security Agent as follows:

(a) Issuer

Address: 14, rue Edward Steichen, L-2540 Luxembourg

Attention: Board of managers

(b) Security Agent

Address: Widenmayerstraße 16, 80538 Munich, Germany

Attention: Martin Schoebe

14.3 Any notice or other communication made by one Party to another Party under or in connection with this Guarantee will only be effective:

(a) in case of courier personal delivery, when it has been left at the address specified in this Guarantee;

(b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in this Guarantee; or

(c) in case of email, when received in legible form by the email address specified in this Guarantee.

15. MISCELLANEOUS

15.1 For the avoidance of doubt, the Guarantee shall not, in any manner whatsoever and for whatever reason, be construed as a *cautionnement* under articles 2011 et seq. of the Luxembourg Civil Code or as any other ancillary or similar undertaking.

15.2 No delay or omission in exercising any powers or privileges under this Guarantee shall be construed as a waiver thereof. Any exercise of any part of the rights shall not preclude subsequent enforcement of any such rights which have not, or have not fully, been exercised.

15.3 No amendment to this Guarantee shall be effective against any Party unless made in writing and signed by each of the Parties hereto, notwithstanding any decision by the Secured Parties changing or amending the Terms and Conditions with regard to this Guarantee.

15.4 An original copy of this Guarantee is kept by the Security Agent at all times.

16. COUNTERPARTY

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all counterparts together shall constitute one and the same instrument.

17. SEVERABILITY

Should any provision of this Guarantee be or become invalid, ineffective or unenforceable as a whole or in part, the validity, effectiveness and enforceability of the remaining provisions shall not be affected thereby. Any such invalid, ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provision as comes closest to the economic intent and purpose of such invalid, ineffective or unenforceable provision as regards subject-matter, amount, time, place and extent. The aforesaid shall apply *mutatis mutandis* to any gap in this Guarantee.

18. GOVERNING LAW

This Guarantee shall be governed by and construed in accordance with the laws of Luxembourg law.

19. JURISDICTION

19.1 Subject to Clause 19.2, all disputes arising in connection with this Guarantee shall be submitted to the competent courts of Luxembourg.

19.2 The submission all disputes arising in connection with this Guarantee to the jurisdiction of Luxembourg shall not limit the right of the Security Agent or any court which may otherwise exercise jurisdiction over the relevant Guarantor or any of its assets.

The Parties have executed this Guarantee in two (2) originals.

[Remainder of page intentionally left blank; signature pages to follow]

[Signature pages of the guarantee]

AS IuteCredit Europe (Estonia)

as Guarantor

By:	By:
Title:	Title:

O.C.N. "IUTE CREDIT" S.R.L. (Moldova)

as Guarantor

By:	By:
Title:	Title:

IuteCredit Albania SH.A (Albania)

as Guarantor

By:	By:
Title:	Title:

IuteCredit Kosovo J.S.C (Kosovo)

as Guarantor

By:	By:
Title:	Title:

IutePay Bulgaria EOOD (Bulgaria)

as Guarantor

By:	By:
Title:	Title:

MKD IuteCredit BH d.o.o. Sarajevo (Bosnia Herzegovina)

as Guarantor

By:	By:
Title:	Title:

IuteCredit Bulgaria EOOD (Bulgaria)

as Guarantor

By:	By:
Title:	Title:

IutePay Albania SH.P.K. (Albania)

as Guarantor

By:	By:
Title:	Title:

Greenmarck Restructuring Solutions GmbH

as Security Agent

By:	By:
Title:	Title:

IuteCredit Finance S.à r.l.

as Issuer

By:	By:
Title:	Title:

Annex 1 – Original Guarantors

Name	Reg. No.	Notice details
AS IuteCredit Europe	11551447	Address: Maakri 19/21, EST-10145 Tallinn, Estonia
O.C.N. OM "IUTE CREDIT" SRL	1008600026223	Address: MD-2001, str. Izmail 84/6, mun. Chisinau, Moldova
IuteCredit Kosovo J.S.C	71358747	Address: B. Klinton Mulliri Praskut Obj.A2 Ll.B-1 Lok nr.2, Kosovo
IuteCredit Albania SH.A	L42011023U	Address: Njesia Administrative Nr.5, Rruga Andon Zako Cajupi, Ndertesa Nr.3, Hyrja 2, Zona Kadastrale 8270, Nr. Pasurie 2/462-N3, Albania
IutePay Bulgaria EOOD	204903721	Address: Bulgaria blvd. 98, entr. D, floor 10, office 19&20 D, Sofia 1680, Bulgaria
MKD IuteCredit BH d.o.o. Sarajevo	4202632880002	Address: Fra Anđela Zvizdovića 1, 71000 Sarajevo, Bosnia Herzegovina
IuteCredit Bulgaria EOOD	205559807	Address: Cherkovna 38, entr. A, Sofia 1505, Bulgaria
IutePay Albania SH.P.K	L81902006O	Address: Rruga Sami Frasheri, Pallati Conad, kati 3, Tirana, Albania

1. LIMITATIONS FOR ESTONIAN GUARANTORS

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Estonia (each a "**Estonian Guarantor**") under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or constitute unlawful provision of security within the meaning of § 159(3) or § 281(3) of the Commercial Code of the Republic of Estonia or prejudice any limitations required under applicable mandatory provisions of Estonian law.

2. LIMITATIONS FOR MOLDOVAN GUARANTORS

As per the provisions of Article 1637 of the Civil Code of the Republic of Moldova, the obligations and liabilities of and the guarantee issued by a Guarantor incorporated in the Republic of Moldova (each a "**Moldovan Guarantor**") under this Guarantee shall be limited at, any time, to an aggregate amount not exceeding EUR 50,000,000.00 and if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of Moldovan law. The obligation of the Moldovan Guarantor cannot exceed the obligation of the debtor. This rule does not apply, in case the obligation of the debtor is reduced or extinguished in an insolvency proceeding.

3. LIMITATION FOR ALBANIAN GUARANTORS

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Albania (each an "**Albanian Guarantor**") under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or constitute unlawful provision of security or prejudice any limitations or preliminary approvals required under applicable mandatory provisions of Albanian law, including but without being limited to: (i) the provisions of the Albanian law no. 9901/2008 "*On entrepreneurs and commercial companies*", (ii) the provisions of the Albanian law 9962/2006 "*On banks in the Republic of Albania*" and regulations of the Bank of Albania governing the activity and administration of risks of non-banking financial institutions in Albania and (iii) the Albanian law 110/2016 "*On bankruptcy*".

4. LIMITATION FOR BULGARIAN GUARANTORS

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Bulgaria (each a "**Bulgarian Guarantor**") under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee or the provisions of the law governing it would otherwise violate Bulgarian public policy (ordre public) and/or overriding mandatory provisions of Bulgarian law within the meaning of Regulation (EC) No 593/2008 of the European Parliament and of the

Council of 17 June 2008 on the law applicable to contractual obligations (Rome I Regulation), to an aggregate amount not exceeding the total principal amount of the Bonds.

5. LIMITATION FOR KOSOVAR GUARANTORS

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Kosovo ("**Kosovar Guarantor**") under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations or preliminary approvals required under applicable mandatory provisions of the law in Kosovo, and to an aggregate amount not exceeding the maximal allowed amount stated in the law no. 04/L-093 on banks, microfinance institutions and non-banking financial institutions and its bylaws.

6. LIMITATION FOR BOSNIA HERZEGOVINIAN GUARANTORS

The obligations and liabilities of and the guarantee issued by the guarantor incorporated in Bosnia and Herzegovina ("**Bosnian Guarantor**") under the Guarantee shall be limited at, any time, if required and to the extent that this guarantee would otherwise be illegal or constitute unlawful provision of security or prejudice any limitations or preliminary approvals required under applicable mandatory provisions of laws of Bosnia and Herzegovina, including but not limited to (i) the provisions of the law on business companies of the Federation of Bosnia and Herzegovina, (ii) the provisions of the law on micro-credit institutions of the Federation of Bosnia and Herzegovina, (iii) regulations of the banking agency of the Federation of Bosnia and Herzegovina regulating the mandatory capital adequacy and composition of risk assets ratios and other financial requirements, (iv) the law on bankruptcy proceedings of the Federation of Bosnia and Herzegovina and (v) the law on foreign exchange of the Federation of Bosnia and Herzegovina.

XVII. *ADDITIONAL INFORMATION ON THE GUARANTEES, THE TRANSACTION SECURITY DOCUMENTS AND THE SECURITY AGENT*

The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Bonds. To the extent there is any discrepancy between the Terms and Conditions and the following description, the Terms and Conditions will prevail.

Transaction Security Documents

The Issuer, Holdco and certain material group companies have granted the Transaction Security Documents on the Completion Date for the due and punctual fulfilment of the Secured Obligations. The Transaction Security Documents are listed below.

The following entities have issued Guarantees (together the "**Guarantors**"):

- IuteCredit Europe AS (Estonia);
- O.C.N. OM "IUTE CREDIT" S.R.L. (Moldova);
- IuteCredit Albania SH.A (Albania);
- IutePay Albania SH.P.K. (Albania)
- IuteCredit Kosovo J.S.C (Kosovo);
- IutePay Bulgaria EOOD (Bulgaria);
- IuteCredit Bulgaria EOOD (Bulgaria);
- MKD IuteCredit BH d.o.o. Sarajevo (Bosnia Herzegovina);

Group companies, IuteCredit Macedonia DOOEL Skopje (North Macedonia), will have to accede to the Guarantee as additional Guarantors within three months after becoming operative.

The following entities have granted Security (together the "**Pledgors**" and, together with the Guarantors and the Promissory Note Provider, the "**Security Providers**"):

- IuteCredit Finance S.à r.l. (Luxembourg);
- AS IuteCredit Europe (Estonia);
- O.C.N. OM "IUTE CREDIT" S.R.L. (Moldova);
- IuteCredit Albania SH.A (Albania);
- IuteCredit Kosovo J.S.C (Kosovo);
- IuteCredit Macedonia DOOEL Skopje (North Macedonia).

The Transaction Security Documents as of the Settlement Date shall consist of:

(a) Luxembourg security documents (the "**Luxembourg Transaction Security Documents**"), including:

(i) a Luxembourg share pledge agreement creating a first ranking pledge over all the shares held by Holdco in the Issuer (the "**Luxembourg Share Pledge Agreement**");

(ii) a Luxembourg receivables pledge agreement creating a first ranking pledge over present and future material loan receivables granted by the Issuer to Holdco or other Group Company (the "**Luxembourg Receivables Pledge Agreement**;

(b) Estonian security documents (the "**Estonian Transaction Security Documents**"), including:

(i) an Estonian law governed receivables pledge agreement creating a first ranking pledge over present and future material loan receivables granted by Holdco to other Group Company (the "**Estonian Receivables Pledge Agreement**");

(c) Moldovan security documents (the "**Moldovan Transaction Security Documents**"), including:

(i) a Moldovan law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by O.C.N. OM "IUTE CREDIT" S.R.L. to its customers (the "**Moldovan Customer Receivables Pledge Agreement**");

(d) Kosovan security documents (the "**Kosovan Transaction Security Documents**"), including:

(i) a Kosovan law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by IuteCredit Kosovo J.S.C to its customers (the "**Kosovan Customer Receivables Pledge Agreement"**);

(e) Albanian security documents (the "**Albanian Transaction Security Documents**"), including:

(i) an Albanian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by IuteCredit Albania SH.A to its customers (the "**Albanian Customer Receivables Pledge Agreement"**);

(f) Macedonian security documents (the "**Macedonian Transaction Security Documents**"), including:

(i) a Macedonian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by IuteCredit Macedonia DOOEL Skopje to its customers (the "**Macedonian Customer Receivables Pledge Agreement**") and

(ii) a Macedonian law governed promissory note granted by IuteCredit Macedonia DOOEL Skopje in the form of a notarial deed, creating a security over all assets of IuteCredit Macedonia DOOEL Skopje, including funds on bank accounts, movable assets, real estate, shares in other companies, receivables and other proprietary rights (the "**Promissory Note**").

In addition, the Issuer shall (a) procure that any Restricted Subsidiary of the Issuer which is not a Pledgor as of the Issue Date shall enter into transaction security documents with the Security Agent substantially equivalent to the existing Transaction Security Documents (an "**Additional Pledgor**") and b) grant pledges over (i) primary bank accounts and (ii) present and future loans receivables granted by such Additional Pledgor to its customers to the benefit of the Security Agent, within ninety (90) calendar days after any such Restricted

Subsidiary becomes a Company holding a Net Loan Portfolio of at least EUR 5,000,000 (a "**Material Group Companies**").

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that (a) all Pledgors enter into (i) account pledge agreements in respect of first priority pledges over the Pledgors accounts and all funds held on the Pledgors accounts from time to time and (ii) pledges over present and future loans receivables granted by such Pledgors to customers within ninety (90) calendar days following the Settlement Date and (b) any Additional Pledgor enter into (i) an account pledge agreement (ii) a pledge over present and future loans receivables granted by such Additional Pledgor to customers within ninety (90) calendar days after such Restricted Subsidiary becomes an Additional Pledgor.

In order to ensure continuous growth of the group via diversification of funding, the security package of the Bonds may be made available to other senior secured creditors of the group in accordance with an intercreditor agreement (the "**Intercreditor Agreement**"), within the limits of the Permitted Indebtedness, the Incurrence Covenants and the negative pledge covenants in the Terms and Conditions. The terms and conditions of all senior secured instruments and the Intercreditor Agreement shall provide, inter alia, for pro rata distribution of proceeds from enforcement of the security package and cross-default of senior secured debt.

For more information about the Transaction Security and Guarantee, see "*Terms and Conditions of the Bonds*".

Security Agent

Greenmarck Restructuring Solutions GmbH, established in Germany and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany will act as Security Agent.

XVIII. TAXATION

The following section is a description of certain tax consequences under the tax laws of Germany and Luxembourg with regard to the acquisition, ownership and sale of the Bonds. The following description of the German and Luxembourg tax situations is not intended to provide exhaustive information that might be necessary for an individual purchase decision regarding the Bonds offered. Only the essential regulations of income taxation are described in an outline. The Issuer points out that the specific tax consequences depend on the personal circumstances of the investors and may be affected by future changes in tax legislation, case law and/or the instructions of the fiscal authority. The description is based on the fiscal law applicable in Germany and Luxembourg at the time the Offering Memorandum is being produced. These laws may change with retroactive effect as well. The specific tax treatment of the purchase, ownership or sale of the Bonds is thus only governed by the tax laws applicable in the individual case at any time in the respective interpretation by the fiscal authority and the fiscal courts. It cannot be ruled out that the interpretation by a tax authority or a fiscal court is different from the explanations shown here. Although the following explanations reflect the assessment by the Issuer, they may not be misinterpreted as tax advice or a guarantee. Tax advice cannot be replaced by these explanations and is therefore strongly recommended.

1. Taxation in the Federal Republic of Germany

Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons whose residence, habitual abode, statutory seat or place of management is located in Germany) are subject to unlimited taxation (income tax or corporate income tax, in each case plus solidarity surcharge on the (corporate) income tax plus church tax and/or trade tax, if applicable). The unlimited tax liability applies to the worldwide income, regardless of its source, including interest on capital claims of any kind and, in general, capital gains. However, contrary provisions in German double taxation treaties may allocate a taxation right to another country.

Taxation if the Bonds are held as private assets

Should the Bonds be held as private assets by a domestic tax-resident individual investor, the interest paid on the Bonds and capital gains from the sale or redemption of the Bonds or the separate sale or redemption of interest claims are taxable at a uniform tax rate of 25 % (26,675 % including solidarity surcharge plus church tax, if applicable, the rate of which varies depending on the province). Capital gains/losses realised upon the sale or redemption of the Bonds are computed as the difference between the proceeds from the disposition or redemption (after deduction of actual expenses directly related thereto) and the issue or purchase price of the Bonds. If the respective income is paid through the banking system, which is the case if the Bonds are held in a custodial account which the owner of the Bonds maintains with a domestic branch of a German or non-German bank, a financial services institution, a domestic securities trading business or a domestic securities trading bank, the tax will be withheld at source, generally as a final burden. If the income is paid from elsewhere, e.g., from a foreign bank, and therefore no tax is withheld at source, the taxpayer must report the respective income in his tax return. The uniform tax rate charge will then be levied by assessment, independently of all other features of the taxpayer's situation. In certain cases, the investor may apply to be assessed on the basis of its actual personal tax rate if such rate is lower than the uniform tax rate of 25 %. However, within the scope of the withholding tax, a deduction of the actual income-related expenses (in excess of a lump-sum amount of 801 EUR or EUR 1,602 for married couples assessed together) is excluded. Losses

from the sale of Bonds can only be offset against other capital gains income and, if there is not sufficient other positive capital gains income, carried forward in subsequent assessment periods. Losses, which have been subject to withholding tax as set out above can only be offset or carried forward if the disbursing agent issues a corresponding (loss) certificate pursuant to Sec. 43a para. 3 sentence 4, Sec. 45a para. 2 of the German Income Tax Act (*Einkommensteuergesetz; EStG*).

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate with the respective German disbursing agent, but only to the extent that the paid interest or the capital gain does not exceed the lump-sum amount as described above. Similarly no withholding tax will be levied, if the relevant investor has submitted a non-assessment certificate issued by the relevant local tax office

Taxation if the Bonds are held as business assets

For German tax resident corporations and domestic commercial investors, holding the Bonds as business assets, interest payments and capital gains will be subject to (corporate) income tax and, if applicable, trade tax. Business expenses related to the Bonds generally are deductible.

The corporate income tax rate including the solidarity surcharge amounts to 15,825 %. Commercial investors not being subject to corporate income tax are taxed at their personal income tax rate which amounts up to 45%. The trade tax rate for businesses being subject to German trade tax, depends on the municipality where the business is located. Furthermore, in the case of individuals, church tax may be levied.

For these investors, only the interest paid on Bonds is generally subject to the provisions regarding German withholding tax as set out above. No withholding tax is levied in the case of the sale or redemption of the Bonds or the separate sale or redemption of interest claims if the investor is a German corporation subject to unlimited taxation or the proceeds from the Bonds qualify as income of a domestic business and the investor notifies this to the German disbursing agent by use of the officially required form However, levied withholding tax has no settling effect, i.e. any tax withheld is credited as prepayment against the German (corporate) income tax amount.

Non-residents

Persons who are not tax resident in Germany are not subject to tax with regard to income derived from the Bonds. This does not apply, if (i) the Bonds are held as business assets of a German permanent establishment or are attributable to a permanent representative of such person or (ii) the income from the Bonds is subject to German limited taxation for other reasons (e.g. the Bonds are, irrespective of certain exceptions, directly or indirectly secured by German real property or domestic rights subject to the real estate provisions of German civil law).

If a non-resident person is subject to tax with its income from the Bonds, similar rules apply as set out above with regard to German tax resident persons.

Application of the German withholding tax regime on the Issuer

The Issuer is not obliged under German tax law to levy German withholding tax in respect of payments on the Bonds. Therefore, the Issuer assumes no responsibility for the withholding of taxes at the source.

Investors are also advised to seek the reliable advice of their own tax advisor regarding the specific fiscal implications of the investment. Such advice cannot be replaced by the above explanations.

German Inheritance and Gift Tax

Generally German inheritance or gift taxes with respect to the Bonds will arise, if, in the case of inheritance tax, either the decedent or the beneficiary, or, in the case of gift tax, either the donor or the heir, is a resident of Germany or such Bond is attributable to a domestic business for which a permanent establishment is maintained or a permanent representative is appointed. This applies also to certain German citizens who previously maintained a residence in Germany.

2. Taxation Grand Duchy of Luxembourg

Taxation of the Issuer

The Issuer will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Issuer will be liable for Luxembourg corporation taxes. The current standard applicable rate in Luxembourg-City, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is currently 24,94%. Liability for such corporation taxes extends to the Issuer's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Issuer is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented on and currently applied by the Luxembourg tax authorities.

Under certain conditions, dividends received by the Issuer from qualifying participations and capital gains realised by the Issuer on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime. The Issuer may further deduct from its taxable profits interest payments made to the holders of the Bonds to the extent that such interest exceeds any exempt income derived from participations financed with the Bonds and qualifying under the Luxembourg participation exemption regime. Furthermore, should the Bonds finance qualifying participations under the Luxembourg participation exemption regime, any interest having reduced the taxable basis of the Issuer may be subject to recapture upon disposal of the qualifying participations by reducing the exempt amount of capital gains.

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR 75 is payable at the moment that the Articles are amended.

It is not compulsory that the Bonds be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Bonds, in accordance therewith, except that, the Bonds are physically attached (*annexé(s)*) to a public deed or to any other document subject to mandatory registration in Luxembourg registration may be ordered which results in the application of a fixed registration duty (of EUR 12) or an ad valorem registration duty (of 0.24% calculated on the amounts mentioned in the Bonds).

Under certain conditions, the Issuer could be exempt from wealth tax (*impôt sur la fortune*) on certain assets, such as qualifying participations under the Luxembourg participation exemption regime. However, and as of 1 January 2016, the Issuer will in any case be liable for the minimum wealth tax of EUR 3,210 or a progressive minimum amount between EUR 535 and EUR 32,100, depending on the balance sheet total of the Issuer.

Withholding tax

Non-resident Holders of the Bonds

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of the Bonds, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident holders of the Bonds.

Resident Holders of the Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Law**"), mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of the Bonds, nor on accrued but unpaid interest in respect of Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident holders of the Bonds.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20%.

If the individual Holder holds the Bonds in the course of the management of his or her private wealth, the aforementioned 20% withholding tax will operate a full discharge of income tax due on such payments.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Bonds coming within the scope of the Law would be subject to withholding tax of 20%.

Income taxation

A holder of Bonds who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Bonds are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Bonds, except if the holder is acting in the course of the management of his/her private wealth and the 20% withholding tax has been levied on such payments in accordance with the Law.

Under Luxembourg domestic tax law, gains realised by an individual holder of the Bonds, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Bonds are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Bonds. An individual holders of Bonds, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, must however include the portion of the gain corresponding to accrued but unpaid interest in respect of the Bonds in his taxable income, except if: (a) withholding tax has been levied on such payments in accordance with the Law; or (b) the individual holders

of the Bonds has opted for the application of a 20% tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State).

The 20% withholding tax is the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

Gains realised by a corporate holder of the Bonds or by an individual holder of the Bonds, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Bonds are attributable, on the sale or disposal, in any form whatsoever, of the Bonds are subject to Luxembourg income tax and municipal business tax.

A Luxembourg holder of Bonds that is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 relating to reserved alternative investment funds (the "**RAIF Law**"), provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned RAIF Law applies, will not be subject to any Luxembourg corporation taxes in respect of interest received or accrued on the Bonds, or on gains realised on the sale or disposal, in any form whatsoever, of Bonds.

Holders of Bonds will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Bonds.

Gains realised by a non-resident holder of Bonds, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Bonds are attributable, on the sale or disposal of Bonds are not subject to Luxembourg income tax.

Net Wealth Tax

A corporate holder of the Bonds, whether resident of Luxembourg for tax purposes or maintaining a permanent establishment or a permanent representative in Luxembourg to which the Bonds are attributable, is subject to Luxembourg wealth tax on the Bonds, except if the holder of the Bonds is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, by the RAIF Law, provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned RAIF Law applies or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

Since 1 January 2016, (i) securitization companies governed by the amended law of 22 March 2004 on securitization and (ii) investment companies in risk capital (SICAR) governed by the law of 15 June 2004 are subject to an annual minimum net wealth tax. Under certain conditions, reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may be subject to minimum net wealth tax.

An individual holder of the Bonds, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on the Bonds.

Other Taxes

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Bonds or in respect of the payment of interest or principal under the Bonds or the transfer of the Bonds. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Under present Luxembourg tax law, in the case where a holder of the Bonds is a resident for tax purposes of Luxembourg at the time of his death, the Bonds are included in his taxable estate, for inheritance tax purposes and gift tax may be due on a gift or donation of the Bonds, if the gift is recorded in a Luxembourg deed.

3. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 the U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, a "foreign financial institution" may be required to withhold a 30% withholding tax on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg) 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. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, 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 Bonds, such withholding would not apply prior to 1 January 2019 (intended date) and Bonds issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional bonds (as described under “Terms and Conditions of the Bonds— § 15 Further Issues”) that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. As long as the rules for the implementation and the definition of "foreign passthru payments" are not written, it is impossible to determine what impact, if any, this withholding will have on Holder of the Bonds.

While the Bonds are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A.(together the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Bonds by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds. The documentation expressly contemplates the possibility that the Bonds may go

into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Bonds will only be printed in remote circumstances.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, Holders will not receive any Additional Amount in respect of such withholding, and Holders will therefore receive less than the amount that they would have otherwise have received on such Bonds.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. **Prospective investors should consult their tax advisors on how these rules may apply to payments they may receive in connection with the Bonds**.

XIX.LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES, TRANSACTION SECURITY DOCUMENTS AND THE BONDS AND CERTAIN INSOLVENCY CONSIDERATIONS

Set out below is a summary of certain limitations on the enforceability of the Bonds, Guarantees and the Transaction Security Documents in the jurisdictions in which the Issuer, the Guarantors, the Pledgors and the Promissory Note Provider are organized or incorporated. It is a summary only, and bankruptcy proceedings, restructuring proceedings, insolvency proceedings or other similar proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Bonds. In addition, as further described below, the COMI of the Issuer or a Guarantor may be determined to be different than its jurisdiction of incorporation. See "*Risk Factors—Risk Factors Relating to the Bonds—Relevant insolvency and administrative laws may not be as favorable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Guarantees and the Issuer and the Guarantors are subject to risks relating to the location of their center of main interest ("COMI").*" The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Bonds and the Guarantees. Also set forth below is a brief description of certain aspects of insolvency laws in the jurisdictions of incorporation of the Issuer, Guarantors and the Pledgors.

1. European Union

Several of the Guarantors are organized under the laws of EU Member States.

Pursuant to the EU Insolvency Regulation, the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "center of main interests" is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

The term "center of main interests" is not a static concept and may change from time to time. See "Risk Factors—Risk Factors Relating to the Bonds—Relevant insolvency and administrative laws may not be as favorable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Guarantees and the Issuer and the Guarantors are subject to risks relating to the location of their center of main interest ("COMI")." Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "center of main interests" in the EU Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "center of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its "center of main interests," with the company's "center of main interests" at the time of initiation of the relevant insolvency proceedings being not only decisive for the international jurisdiction of the courts of a certain Member State, but also for the insolvency laws applicable to these insolvency proceedings as each court would, subject to certain exemptions, apply its local insolvency laws (*lex fori concursus*).

If the "center of main interests" of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be opened in another EU Member State. If the "center of main interests" of a debtor is in one EU Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other EU Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation. Irrespective of whether the insolvency proceedings are main or territorial proceedings, such proceedings will always, subject to certain exemptions, be governed by the *lex fori concursus*, *i.e.*, the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

In the event that the Issuer or any provider of collateral experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings will be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer and Guarantors and the collateral provided by the Issuer or any other company. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other and there is no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

2. Luxembourg

Insolvency

In the event that the Issuer becomes insolvent, insolvency proceedings (e.g., in particular, bankruptcy proceedings (*faillite*), controlled management proceedings (*gestion contrôlée*) and composition proceedings with creditors (*concordat préventif de la faillite*)) may be opened in Luxembourg to the extent that the Issuer has its center of main interest located in Luxembourg or an establishment in Luxembourg within the meaning the EU Insolvency Regulation (in relation to secondary proceedings assuming in this case that the center of main interests is located in a jurisdiction where the EU Insolvency Regulation is applicable). If a Luxembourg court having jurisdiction commences bankruptcy proceedings against the Issuer, all enforcement measures against such companies will be suspended, except, subject to certain limited exceptions, for enforcement by secured creditors. Holders will thus not be able to enforce the Guarantee once bankruptcy proceedings have commenced.

In addition, the Holders' ability to receive payment on the Bonds may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiement*) as provided by articles 593 et seq of the Luxembourg Code of Commerce or to put the Issuer into judicial liquidation (*liquidation judiciaire*) pursuant to article 1200-1 of Luxembourg Company Law. Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or

violation of the Luxembourg Code of Commerce or of the laws governing commercial companies, including Luxembourg Company Law and those laws governing authorization to do business.

Liability of the Issuer in respect of the Bonds will, in each case, in the event of a liquidation of the relevant company following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those other debts that are entitled to priority under Luxembourg law.

Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue Office;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise Agency;
- social security contributions; and
- remuneration owed to employees.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the relevant Luxembourg company during the period before bankruptcy, the so-called "hardening period" (*période suspecte*) which is a maximum of six months (and ten days, depending on the transaction in question) preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the hardening period at an earlier date pursuant to article 613 of the Luxembourg Code of Commerce.

In addition to the above, it should be noted that on 1 February 2013, the Luxembourg government has filed a bill to reorganize the Luxembourg insolvency proceedings. However, it cannot be foreseen when such bill will be passed by the Luxembourg Parliament and become law. As the bill may be substantially amended during the legislative process, the impact of the new law on the liability of the Issuer in respect of the Bonds cannot be foreseen at the present time.

3. Estonia

The fulfilment of obligations of the Guarantors under the Estonian Transaction Security Documents is subject to applicable laws relating to insolvency, bankruptcy, restructuring (*saneerimine*), force majeure, fundamental change of circumstances (*rebus sic stantibus*) and other laws capable of affecting creditors' rights generally from time to time in effect, as well as the applicable prescription terms under the Estonian law, and the parties to Estonian Transaction Security Documents would be debarred from application of Estonian Transaction Security Documents in contravention to the Estonian law.

Upon institution of bankruptcy or restructuring proceedings against the Guarantor, the courts of Estonia may acquire exclusive jurisdiction over the case involving the Guarantor, regardless of the agreement of the parties to the contrary and refuse to recognize and/or enforce (or stop or postpone the enforcement thereof) as valid, final and conclusive judgment against the Guarantor in accordance with applicable EU law.

Restructuring proceedings

The ability to receive payments on the Bonds under the Guarantee issued by an Estonian entity may be negatively affected if restructuring proceedings are initiated against the Guarantor. The restructuring proceedings aim to allow companies with financial difficulties, and which have not yet discontinued their economic and commercial activities, to maintain

and develop these activities, settle their debts and avoid bankruptcy. The restructuring process may be commenced provided certain conditions under Estonian law are met, including that the sustainable management of the company is likely after the restructuring and the position of creditors would, with reasonable likeliness, be more beneficial compared to their position in case of bankruptcy. After the restructuring is commenced and until the approval of the restructuring plan, among others, the enforcement proceedings executed by a bailiff are, as a rule, suspended, calculation of default interest is suspended, court proceedings against the company for the performance of payment obligations may be suspended and deciding on the commencement of bankruptcy proceedings based on a creditor's application is suspended.

The restructuring plan may include rules for the transformation of claims, including extension of payment terms and reduction of debt amounts. As a general rule, the restructuring plan must be accepted by the creditors (by way of voting, subject to certain majority requirements) and approved by the court. Under certain conditions, the court may approve the restructuring plan even if it was not accepted by the creditors (including that less than half of the creditors voted on the restructuring plan).

The restructuring plan may be revoked by the court, should the debtor fail to perform its obligations stipulated in the restructuring plan to a material extent. In that case creditors' claims shall be restored in the initial amount, subject to respective deduction if any payments were effected during the restructuring process.

Bankruptcy proceedings

In case of institution of bankruptcy proceedings against the Guarantor, the court will appoint a bankruptcy trustee who shall assume control over the assets of the Guarantor. Bankruptcy proceedings may result in the revocation of the Transaction Security (in case the bankruptcy trustee brings a corresponding action and sufficiently proves to the court that granting of the Transaction Security harmed the interests of other creditors of the Guarantor) and considering that the costs of bankruptcy proceedings shall be covered prior to satisfaction of any claims of creditors, including those of preferred rank creditors, bankruptcy proceedings may have several negative impacts.

The bankruptcy trustee may choose to dispute the pledges – grounds and arguments for doing so depend on the particular trustee (e.g. the trustee may claim in a particular case that the pledge agreement is invalid, etc.). Such decision of the bankruptcy trustee can be challenged in court by the secured creditors.

The bankruptcy trustee shall organize the sale of the assets of the company.

Proceeds from the sale of the assets pledged as the Transaction Security would be allocated (i) firstly, for the settlement of the costs of bankruptcy proceedings (but not more than 15 per cent from the proceeds) and (ii) secondly, for the settlement of the claims of creditors which claims were secured with particular pledges, but not exceeding the amount of the Transaction Security. Accordingly, secured creditors are regarded as first rank creditors with regard to proceeds received from the sale of the respective pledged assets. In case the funds received from the sale of the pledged property do not cover the claims of the secured creditor, then the creditor shall acquire the status of a non-secured (i.e. second rank) creditor regarding the unsatisfied part of the claim.

The court shall determine the exact amount of the fee payable to the bankruptcy trustee. However, according to Estonian law, in any case the fee shall not, as a rule, be less than 1 per cent of the funds which have been received and included in the bankruptcy estate as a

result of the sale and recovery of the bankruptcy estate and other activities of the bankruptcy trustee.

Limitations for granting Guarantees and sureties

Under Estonian law, a person engaged in an economic or professional activity (guarantor) may, by a contract, assume an obligation (Guarantee), according to which the person undertakes to perform obligations arising from the Guarantee on the demand of the obligee. However, financial assistance restrictions apply. While a subsidiary may guarantee debt obligations of its parent undertaking if this does not harm the financial status of the subsidiary or the interests of creditors, the subsidiary may not guarantee debt obligations for the acquisition of its share. Violation of this restriction does not result in the nullity of the transaction, but the parent undertaking must compensate for the damage caused to the company by the provision of the security. The management of the subsidiary may also be held liable for the damages caused by the breach.

If the Estonian Guarantor goes bankrupt and the Issuer has not yet become obligated to fulfill under the Bonds, enforcement of the Guarantee in respect of that Guarantor may become restricted. Among other, (i) there is a risk that the Guarantee may be revoked if insolvency proceedings of the Guarantor are initiated and (ii) even if the Guarantee is not revoked, creditors demanding performance of the Guarantee obligations shall not be regarded as preferred creditors (i.e. their claims shall be satisfied *pro rata* with other unsecured creditors). The bankruptcy trustee is obliged to examine agreements entered into by an insolvent company in order to establish, among other, whether these transactions have been detrimental to the interests of the company's creditors. If the bankruptcy trustee finds that the agreement in question has caused loss to the company (e.g., sale of assets under market value or granting certain rights without consideration), the bankruptcy trustee is entitled to bring an action against the other party to the agreement for revocation of such an agreement. Revocation of the agreement is decided by the court.

Moreover, intra-group transactions, including those granting the security to parent companies, subsidiaries or affiliated companies have to be concluded on an arm's length basis.

Distinction between a guarantee and a surety

Estonian law distinguishes between a Guarantee and a surety. The liability of a guarantor under a Guarantee does not depend on the validity of the principal secured obligation (despite that the latter is indicated in the Guarantee) and is limited to the amount indicated in the guarantee (if any). The guarantor's obligation to pay under the Guarantee arises in accordance with the terms of the Guarantee. The guarantor's liability is several. In case the security is qualified as a surety, the liability of the surety provider under the surety is joint and several (i.e. solidary). If an obligation subject to suretyship is secured by a right of security established with regard to the property of the principal obligor or if the creditor may exercise a right of security with regard to the property of the principal obligor, the surety may, until the principal obligor is declared bankrupt, require the creditor to satisfy the claim thereof out of the pledged property to the extent of the pledge.

4. Moldova

The fulfillment of obligations of the Moldovan Guarantor under the Moldovan Transaction Security Documents is subject to the Moldovan laws relating to insolvency, bankruptcy, restructuring, force majeure, fundamental change of circumstances and other laws capable of affecting creditors' rights generally from time to time in effect. The parties to Moldovan

Transaction Security Documents would be debarred from application of Moldovan Transaction Security Documents if in contradiction with Moldovan law.

Insolvency proceedings

The insolvency proceedings under the Moldovan legislation are regulated by the law no. 149 dated 29 June 2019. Pursuant to this insolvency law, the court, which shall have the jurisdiction to open the insolvency procedure in relation to a company, is specialized in insolvency proceedings and a first-level court within the area the Moldovan Guarantor has its registered address.

The reasons for the opening of insolvency proceedings against the Moldovan Guarantor are either (i) the illiquidity of the Moldovan Guarantor, in case the Moldovan Guarantor is unable to pay its debts that become due and (ii) the over indebtedness of the Moldovan Guarantor, meaning the financial situation of the Moldovan Guarantor, which liability is limited by law to a certain amount of the patrimony or in case the value of the assets of the Moldovan Guarantor do not cover its liabilities.

In case of an insolvency procedure, all creditors are required to meet in a creditors' committee and decide upon the procedure of insolvency.

The following types of creditors are regulated by the insolvency law in insolvency procedures:

a) secured creditors (the creditors holding a contractual or statutory pledge in any assets of the insolvent entity, created prior to the insolvency proceedings); and

b) unsecured creditors, including (i) creditors with general unsecured claims and (ii) creditors with inferior rank unsecured claims.

The secured creditors enjoy the right of prior satisfaction of the principal interest and related costs from the proceeds of sale of the pledged assets. The Guarantee shall be considered as a secured claim and shall rank prior to unsecured claims of creditors and creditors with inferior unsecured claims.

If any of the insolvency proceedings are initiated against the Moldovan Guarantor, the ability to receive payments under the Bonds guaranteed by the Moldovan Guarantor may be negatively affected. The petition to the insolvency court may be filed by any of the creditor or the Moldovan Guarantor itself.

In case of the opening of an insolvency procedure by the insolvency court against the Moldovan Guarantor, the insolvency court will appoint an insolvency administrator (trustee). The insolvency administrator shall be appointed by the insolvency court in both possible procedures of insolvency.

The opening of insolvency proceedings may lead to (i) bankruptcy, with the purpose of liquidation the debtor’s assets and satisfying the liabilities or (ii) the restructuring of the debtor involving the preparation, approval, implementation and enforcement of a plan to show the financial and economic difficulties of the debtor. An accelerated restructuring procedure is also available in certain circumstances, in case the debtor is in a financial difficulty, but does meet the conditions for opening an insolvency procedure.

Restructuring proceedings

The ability to receive payments on the Bonds under the Guarantee issued by the Moldovan Guarantor may be negatively affected if the restructuring proceedings are initiated against the Moldovan Guarantor.

The restructuring plan may include rules of claims transformation, including the extension of payment terms and the reduction of debt amounts. As a general rule, the restructuring plan must be accepted by the creditors (by way of voting) and approved by the insolvency court.

The restructuring procedure depends on the will of the creditors and aims to allow companies with financial difficulties, and which have not yet discontinued their economic and commercial activities, to maintain and develop these activities and settle their debts, which implies the approval of a plan to change the situation of the debtor, so that its activity will not be stopped. In case this procedure fails and the debtor does not show positive returns for the financial statement, the insolvency court will decide upon applying and initiating the bankruptcy procedure.

The restructuring process may be initiated, given that certain conditions under the Moldovan law are met, including the sustainable management of the company is likely to be restored after the restructuring.

After the restructuring is commenced and until the approval of the restructuring plan, any enforcement proceeding initiated by a bailiff, calculation of default interest, and court proceedings against the debtor for performance of payment obligations should be suspended. The restructuring plan may be revoked by the insolvency court, in case the debtor fails to perform its obligations stipulated in the restructuring plan to a material extent.

Bankruptcy proceedings

The bankruptcy procedure shall be applied to the debtor, when the financial statements of the debtor do not show any possible recoveries or it can be taken by decision of the creditors. In this case, the liquidation of the debtor's patrimony will take place in order to cover the liability.

Bankruptcy proceedings may result in the revocation of the Moldovan Transaction Security Documents (in case the insolvency administrator brings a corresponding action and sufficiently proves to the insolvency court that granting of the Transaction Security harmed the interests or other creditors of the Guarantor) and considering that the costs of the insolvency procedure (in general) shall be covered prior to satisfaction of any claims of creditors, including those of prior ranking creditors, bankruptcy proceedings may have several negative effects.

Upon initiation of bankruptcy or restructuring proceedings against the Moldovan Guarantor, the insolvency court may exclusively decide over the case involving the Moldovan Guarantor, regardless of contrary agreements of the parties.

If the relevant insolvency court initiates bankruptcy proceedings against the Moldovan Guarantor, all enforcement measures against the Moldovan debtor will be suspended, except subject to certain limited exceptions. It will not be possible to enforce outside insolvency procedure the Guarantee issued by the Moldovan Guarantor once bankruptcy proceedings is ongoing.

In the bankruptcy proceedings, the insolvency administrator shall organize the sale of the assets of the Moldovan Guarantor. He may choose to dispute the Guarantee and other securities created by the Moldovan Guarantor under any provisions established by the

Moldovan insolvency law. In particular, the insolvency administrator may challenge: (i) any illegal act of the Moldovan Guarantor concluded within the last 3 years prior to the insolvency procedure, (ii) gratuitous transfers performed by the Moldovan Guarantor within the last 3 years prior to the insolvency procedure (with some exceptions), (iii) transactions performed by the Moldovan Guarantor within the last 3 years prior to insolvency procedure, within which the debtor's obligations are clearly too excessive and (iv) transfer of property of the Moldovan Guarantor to a creditor for executing a debt, within the last 4 months prior to insolvency procedure, which increased the amount to be received by the creditor after the debtor's liquidations.

With regard to the pledge, under the Moldovan insolvency law, a pledge registered within the last 4 months prior the opening of the insolvency proceeding, shall be declared void upon request of the insolvency administrator or any creditor. However, the insolvency administrator is obliged to examine agreements entered into by the Moldovan Guarantor in order to establish, among others, whether these transactions have been detrimental to the interests of its creditors. If the insolvency administrator finds that the agreement in question has caused loss to the Moldovan Guarantor (i.e. sale of assets under the market value or granting certain rights without consideration), the insolvency administrator is entitled to bring an action against the other party of the agreement in order to revoke such an agreement. The insolvency court decides upon the revocation of the agreement.

Proceeds from the sale of the pledged assets created under the Moldovan Transaction Security Documents would be allocated (i) firstly, for the settlement of the costs of bankruptcy proceedings and (ii) secondly, for the settlement of the claims of secured creditors, but no exceeding the amount of the Moldovan Transaction Security Documents.

5. Albania

The fulfilment of obligations of the Guarantors under the Albanian Transaction Security Documents is subject to applicable laws relating to bankruptcy, company law, banking regulations applicable to non-bank financial institutions in Albania and other laws capable of affecting creditors' rights generally from time to time in effect, as well as the applicable statute of limitations terms under Albanian law.

Limitations under company law

Pursuant to the Albanian legal provisions, an Albanian commercial company (a joint stock or limited liability company) is permitted to enter into agreements and constitute rights and obligations only to the extent such agreements correspond to its corporate purpose, as set out in its articles of association.

The Albanian legal provisions do not contain any specific limitation applicable to the granting of intra-group security interests/guarantees, provided that such creation of security interests/Guarantees receives adequate corporate approval based on the corporate acts of the company acknowledging the corporate benefit of the guarantor in giving the Guarantee.

Certain legal provisions applicable to Albanian limited liability companies (SHPK), set out the general principle of corporate assets' preservation. According to this principle, the directors of a limited liability company are obliged to check the company's degree of solvency before issuing the certificate of payment of dividends. Specifically, a limited liability company can pay out dividends in favor of its shareholders only if after such payment the assets of the company still fully cover its obligations and the company has adequate liquidity to pay its financial obligations due within the coming 12 months. This limitation is also extended to any type of distribution rendered by a company in favor of its shareholders, based on an

agreement entered into between the company and the shareholder, if such agreement provides for conditions which are less favorable to the company if compared to market conditions.

On the other hand, the Albanian company law on joint stock companies (SHA) prohibits concealed distributions by requiring that the remuneration for any legal transactions undertaken by the company and its shareholder beyond his contribution may not exceed the market value of such transactions. By virtue of the law, shareholders are obliged to return to the company any advantage received contrary to the provisions of this law. This includes dividends received, if shareholders knew or ought to have known that these dividends or other advantages were received contrary to the law.

The above provisions altogether, provide a remote risk that intra-group Guarantees may qualify as concealed distributions for shareholders granted in contravention of the law and thus may only be created if the conditions for the distribution of dividends are met, however this risk is not tested by Albanian courts.

The violation of the legal restrictions referred to above does not immediately result in the nullity of the transaction, but the shareholder of the guarantor must compensate for the damage caused to the company by the provision of the security. The management of the subsidiary may also be held liable for the damages caused by the breach. In addition, in respect of joint stock companies, when the company has, during a period of 1 year before the opening of insolvency proceedings, repaid loans to the shareholders or has entered into other transactions that, from an economic perspective are similar to that of a loan (which may include Guarantees), the shareholder to whom the loan has been repaid, must return to the company the loan amounts paid the later.

Bankruptcy proceedings

The fulfilment of obligations of the Guarantors under the Albanian Transaction Security Documents may be limited by applicable legislation on bankruptcy in Albania.

In case of an insolvency of the Albanian Guarantor, the bankruptcy proceedings against the guarantor may be instituted by the debtor or any of the creditors of the Guarantor. Once the insolvency proceedings have been opened, secured and unsecured creditors cannot enforce their claims outside the insolvency proceedings. All claims against the insolvent debtor are suspended and writs of execution in respect of securities granted (such as securing charge over receivables or bank accounts) cannot be enforced. All new and pending claims are then submitted to the insolvency administrator appointed by the court.

The insolvency administrator obtains control over any immovable property and/or any movable property in the possession of the debtor (Guarantor) at the date the insolvency proceeding is opened. The administrator cannot sell any assets that are used as collateral if the value of such assets is lower or equal to the amount owed to the secured creditor and the execution expenses.

In case the insolvency administrator decides not to dispose the assets, or in case the court, upon the request of the secured creditor, decides to remove certain restrictions provided by the insolvency law noted above, the secured creditor may commence or continue to enforce the security outside of the insolvency proceeding (although this procedure is not tested by Albanian courts).

Once the bankruptcy procedure has been initiated, (i) the insolvent Guarantor can approve the reorganization plan aiming the survival of the company or (i) the company can be liquidated.

The raking of creditors in case of liquidation of the borrower is the following:

- secured creditors up to the value of the collateral;

- preferred creditors (i.e. employees' claims for dismissal, work and health matters, tax obligations, etc.) subject to conditions and restrictions on amounts;

- unsecured creditors' claims;

- other creditors related to for example penalties as per Civil Code, Criminal Code, penalties for late payments accrued in respect of creditors' claims before initiation of the bankruptcy procedure;

- shareholders' claims.

The enforcement of the Guarantee/security instruments in bankruptcy proceedings may also be limited by the right of the insolvency administrator to challenge any transaction concluded by the insolvent debtor (guarantor) within 2 years prior to the opening of the bankruptcy proceedings if such transaction has (i) caused economic damage to the debtor or (ii) given unjustified preferential rights to a certain creditor.

An economic damage exists in such cases when the debtor enters into transactions the compensation for which is lower than equivalent benefit given by its counterparty to the contract. Such damage must be generally proved by the insolvency creditor challenging the transaction, within 3 years from the opening of the bankruptcy proceedings. There is a presumption of damage for transactions entered into with 'related persons' which include 'companies of the same group'.

The effects of the aforementioned claw-back provision are inter alia to remove securities granted to the creditors of the guarantor in financing transactions. The creditor and insolvent debtor have the burden of proof to prove that the transaction did not bring an economic damage to the debtor.

The Albanian insolvency court would also evaluate in a claw back claim (i) the good faith of the debtor in entering the transaction in order to continue its activity and if the debtor has reasonable grounds to believe that it would benefit from the transaction or (ii) the actions undertaken by the debtor within the framework of its normal activity or professional activity, under normal terms and conditions.

6. Bulgaria

The fulfilment of the obligations of the Bulgarian Guarantors under their respective Guarantees is subject to the applicable Bulgarian laws and proceedings aimed at securing equal treatment of creditors and protecting creditors' interests from detrimental debtor behavior, most notably these include insolvency proceedings (производство по несъстоятелност in Bulgarian), stabilization proceedings (прозизводство по стабилизация in Bulgarian) and certain protections under the general law of obligations (e.g. the actio Pauliana).

Furthermore, where a Bulgarian court of law is charged with the hearing of a dispute arising under a Guarantee, it may, in accordance with applicable EU conflict of law legislation, decide to disregard certain provisions of the law governing such Guarantee, if the court finds such provisions contradict Bulgarian public policy (ordre public) or overriding mandatory provisions of Bulgarian law.

Insolvency proceedings

Under part four of the Bulgarian Commercial Act, insolvency proceedings (производство по несъстоятелност in Bulgarian) over the assets of a Bulgarian company can be initiated in case of (i) insolvency and/or (ii) over-indebtedness following an application by the company, by a commercial creditor of such company, or by the National Revenue Agency in the case of open liabilities against the state or a municipality.

The opening of insolvency proceedings may have a negative impact on payments under a Guarantee granted by a Bulgarian Guarantor, as well as hinder the enforcement of such Guarantee and, under certain circumstances, make it vulnerable to legal challenge and possible invalidation by the bankruptcy trustee appointed.

Where a competent Bulgarian court decides to initiate insolvency proceedings over a Bulgarian Guarantor, and under certain conditions upon filing of an application for the initiation of such proceedings, the court would appoint a bankruptcy trustee, who would be tasked with assuming control over the business activities of the respective Bulgarian Guarantor, including by restricting the said Bulgarian Guarantor`s payments. In addition, generally all court or arbitrary proceedings against this Bulgarian Guarantor would be stopped and the opening of new court or arbitrary proceedings against the Bulgarian Guarantor would be limited to a few exceptions (e.g. employment disputes). Enforcement proceedings over assets belonging to the bankruptcy estate would also be stopped and the imposition of attachments or other protective measures would be restricted.

The aforementioned shows the realization of claims against a Bulgarian Guarantor arising under a Guarantee to the liquidation procedure and the waterfall payments envisaged in the insolvency proceedings under part four of the Bulgarian Commercial Act. To this end and in accordance with the applicable EU legislation, Bulgarian courts may receive exclusive jurisdiction to hear disputes arising under or in connection with a Guarantee, even if the parties thereto have selected the jurisdiction of the courts of another state.

When claims arising under a Guarantee are filed with the bankruptcy trustee within the statutory term (generally 1 month), they would rank as non-preferred unsecured claims and would therefore participate in the distribution of proceeds from the liquidation of the Guarantor`s assets only after all secured claims and the preferred unsecured claims (i.e. costs of the proceedings, maintenance obligations, employment contract obligations, public obligations and obligations which have arisen after initiation of the proceedings) have been satisfied in full. In addition, the creditors of an insolvent Bulgarian Guarantor may, upon the approval of the insolvency court, adopt a restructuring plan, which, inter alia, can provide for debt cuts on the claims against this Bulgarian Guarantor, e.g. changes in their payment schedules etc. However, creditors disagreeing with the restructuring plan, can chose to settle their claims as per the statutory waterfall payments instead.

Under Bulgarian law, the bankruptcy trustee can challenge before the insolvency court and attempt to invalidate the Guarantee granted by a Bulgarian Guarantor, most notably if the granting of such Guarantee represents (i) a gratuitous contract made within a “hardening period' of 2 years prior to the date of filing for bankruptcy, and/or (ii) the creation of security interest for third-party obligations made within 1 year prior to the date of filing for bankruptcy, but not sooner than the initial date of bankruptcy.

Stabilization proceedings

Under part five of the Bulgarian Commercial Act, stabilization proceedings (производство по стабилизация in Bulgarian) in respect of a Bulgarian company can be initiated upon an application of a company with financial difficulties, which is not yet insolvent, but in an imminent danger of becoming insolvent.

The opening of stabilization proceedings may have a negative impact on the payments on a Guarantee granted by a Bulgarian Guarantor, hinder its enforcement and/or result in a debt cut or another change in the terms and conditions of the Guarantee.

Where a competent Bulgarian court decides to open stabilization proceedings over a Bulgarian Guarantor, it would appoint a trustee, who could then supervise and/or assume control over the business activities of the respective Bulgarian Guarantor. The Bulgarian Guarantor would further be restricted from performing any payments on obligations, which have become due before the initiation of the proceedings, but where not performed upon their maturity (with the exception of public obligations such as taxes and social insurance contributions). The opening of stabilization proceedings would also restrict the initiation of enforcement proceedings against this Bulgarian Guarantor and would stop any ongoing enforcement proceedings over the assets thereof for the duration of the stabilization proceedings (i.e. until a stabilization plan has been approved by the stabilization court or the proceedings have been closed without the approval of a stabilization plan). Creditors would still be entitled to impose attachments or other protective measures in order to secure their claims against the respective Bulgarian Guarantor and default interest would accrue on their claims.

Upon proposal of the Bulgarian Guarantor, its creditors can vote on a stabilization plan to be implemented in respect of this Bulgarian Guarantor's business activities, which in particular can provide for debt cuts on creditors' claims, extension of payment terms and other changes in the terms and condition of creditors' claims. The stabilization plan has to be endorsed with the votes of creditors holding claims representing at least half of the total amount of claims against the Bulgarian Guarantor divided in classes depending on the claims' seniority and approved by the stabilization court. The stabilization plan is generally binding on all creditors. If the Guarantor does not comply with the approved stabilization plan, in particular fails to service a claim as per the provisions of the plan, such claim can be restored to its initial conditions and the halted enforcement proceeding against the Guarantor can be continued.

General provisions

Under Article 135 of the Bulgarian Obligations and Contracts Act, a creditor may challenge before court and seek to invalidate vis-à-vis itself actions of a debtor, which are detrimental to such creditor, if the debtor, and where the actions where done for a consideration also the other party, knew that such actions would harm the creditor (the so-called *actio Pauliana*).

The filing of a legal challenge under Article 135 of the Bulgarian Obligations and Contracts Act can make the Guarantee granted by a Bulgarian Guarantor vulnerable to possible invalidation by a competent court, if the filing creditor manages to prove that the Guarantee is harmful thereto and that the respective Bulgarian Guarantor has acted knowingly of such harm.

7. Kosovo

The fulfilment of obligations of the Kosovar Guarantor under the Guarantee may be affected or limited by applicable laws relating to bankruptcy, reorganization, enforcement, operations of financial companies and/or other laws capable of affecting creditors' rights generally from time to time in effect, including protective measures imposed by governmental bodies and institutions.

Bankruptcy proceedings

In case of opened bankruptcy proceedings against the Kosovar Guarantor, a bankruptcy trustee is appointed, that shall assume control over the business and assets of the Kosovar Guarantor. Any enforcement procedure initiated based on the Guarantee shall be stopped with the opening of the bankruptcy proceedings. In order to protect the interests of the creditors before the opening of bankruptcy proceedings, a temporary bankruptcy trustee may be appointed, payments from the bank account may be banned, general ban on disposal with the property may be imposed and/or temporarily the enforcement against the Kosovar Guarantor may be postponed. As a general rule, all new and pending claims are then submitted to the bankruptcy trustee. Opening of bankruptcy proceedings may have several negative impacts, including, in certain specified situations, the annulment of the Guarantee provided by the Kosovar Guarantor.

Once the bankruptcy procedure has been initiated, the bankruptcy trustee can (i) approve a reorganization plan aiming the survival of the company or (ii) approve the liquidation of the company.

General provisions

Under Kosovar contract and torts legislation, creditors have the right to refuse any legal act (or failure to act) of a debtor which makes their claims difficult or impossible to settle by filing a lawsuit also known as the so-called actio pauliana.

The actio-pauliana-claim is directed against the person in whose benefit action of the debtor has been made. Successful creditor's challenge results in the annulment of the challenged action, to the extent necessary for settlement of the claim of the claimant (followed by the obligation of the respondent to transfer appropriate portion of the benefit received to the claimant).

In case a creditor of a Kosovar Guarantor can prove that the Guarantee or its enforcement has made its (the creditor's) claim difficult or impossible to settle and can prove that the Kosovar Guarantor has acted knowingly in such manner it may request from the competent court that the Guarantee is declared null and void (in the section referring to the Kosovar Guarantor).

Lack of Practice

Please note that Kosovo has a lack of standardized practice in terms of securities enforcement in general, as well as a severe lack of practice when it comes to bank account pledge enforcement. Consequently, it is difficult to predict the potential practical problems and/or issues that might arise in such security enforcement procedures

8. North Macedonia

The fulfilment of obligations of the Security Providers under Macedonian Transaction Security Documents may be affected or limited by applicable laws relating to bankruptcy, reorganization, enforcement, account blockade, operations of financial companies and/or other laws capable of affecting creditors' rights generally from time to time in effect, including protective measures imposed by governmental bodies and institutions.

In case of failure by the Promissory Note Provider to voluntarily fulfill the obligations under the Promissory Note, compulsory enforcement can be initiated after obtaining an executive title (извршна исправа) in the form of (i) a final and definitive local court judgment/arbitral award or (ii) a decision on recognition of a foreign court judgment/arbitral award.

Bankruptcy proceedings

In case of opened bankruptcy proceedings against a Security Provider from North Macedonia, the court will appoint a bankruptcy trustee who shall assume control over the business and assets of such Security Provider. Any enforcement procedure initiated based on a Transaction Security Document or the Promissory Note shall be stopped with the opening of the bankruptcy proceedings. In order to protect the interests of the creditors before the opening of bankruptcy proceedings, the court may appoint a temporary bankruptcy trustee, ban payments from the bank account, impose general ban on disposal with the property and/or ban or temporarily postpone the enforcement against the Security Provider.

The opening of bankruptcy proceedings may have several negative impacts, including the annulment of the Transaction Security provided by the local Security Provider. In particular, the bankruptcy trustee and creditors can request the annulment of payments or other legal actions and the return of any object of disposal made by the local Security Provider in a certain period prior to the commencement of the bankruptcy proceeding, up to 10 years backward. Some of these actions include legal transactions taken within 90 days before filing the petition on opening a bankruptcy proceeding, which provide security or settlement to a creditor, if the local Security Provider was insolvent at the time of taking this action and/or the creditor knew that the legal transaction harms the other creditors. Further, a legal transaction entered into or taken with the intent to damage one or more creditors within 10 years before submitting the petition for initiating bankruptcy proceeding or after that may be contested if the counterparty of the local Security Provider knew of such intent. If a challenge in the bankruptcy proceedings is successful, the creditor has to return the entire challenged amount to the insolvency estate, whilst it remains entitled to claim the appropriate indemnification amount in accordance with its ranking in the insolvency estate.

The bankruptcy trustee shall organize the sale of the assets of the bankruptcy debtor for the purpose of creditors` settlement. Proceeds from the sale of assets would be allocated in the following order:

(i) costs of the bankruptcy procedure, followed by the obligations of the bankruptcy estate;

(ii) claims of the bankruptcy debtor’s employees for wages, mandatory contributions for the last three months prior to the opening of the bankruptcy proceedings, including any compensations for injuries or occupational disease and other employment related claims;

(iii) other claims towards the bankruptcy debtor from its creditors;

(iv) interest on the claims of the creditors that are due after the date of opening of the bankruptcy proceedings, costs for participation in the bankruptcy proceedings, etc.

Notwithstanding the above, creditors secured with specific assets of the bankruptcy debtor (mortgagees and pledgees), are entitled to separate settlement, out of the proceeds from realization of the secured asset. Accordingly, secured creditors are regarded as first rank creditors with regard to proceeds from the sale of the respective pledged assets. In case the funds received from the sale of the pledged property do not cover the claims of the secured creditor, the creditor shall acquire the status of a non-secured creditor regarding the unsatisfied part of the claim.

If the Promissory Note Provider goes bankrupt and anyone in whose favor the Promissory Note Provider issued the Promissory Note has not yet become obligated to fulfill the guaranteed obligations, enforcement of the Promissory Note in respect of the Promissory Note Provider may become restricted. Among others, (i) there is a risk that the claim under the Promissory Note is not recognized during the bankruptcy proceedings of the Promissory

Note Provider and (ii) even if the claim from the Promissory Note is recognized, creditors demanding performance of the Promissory Note obligations shall not be regarded as preferred creditors (i.e. their claims shall be satisfied pro rata with other unsecured creditors). The risk for non-recognition of the claim is smaller in case the Promissory Note issued by the Promissory Note Provider is considered to be a surety and the creditors can request payment from the Promissory Note Provider regardless whether the principal debtor is in default.

The bankruptcy trustee is obliged to examine agreements entered into by the bankruptcy debtor in order to establish, among others, whether these transactions have been detrimental to the interests of the company's creditors. If the bankruptcy trustee finds that the agreement in question has caused loss to the company or to the other company's creditors, the bankruptcy trustee is entitled to bring an action against the other party to the agreement for the annulment of such an agreement. The annulment of the agreement is decided by the court.

Reorganization proceedings

The ability to receive payments under the Macedonian Transaction Security Documents or the Promissory Note provided by the Promissory Note Provider may be negatively affected if reorganization proceedings are initiated against the local Security Provider. The bankruptcy debtor, the creditors or the bankruptcy trustee can submit a reorganization plan before or after the opening of bankruptcy proceedings.

The reorganization plan may include rules for the transformation of claims, including extension of payment terms and reduction of debt amounts. The reorganization plan must be accepted by the creditors (by way of voting) and approved by the court. The reduced claims or extended timeframes for payment under the reorganization plan shall not be binding for the respective creditors, should the debtor fail to perform its obligations stipulated in the reorganization plan to a material extent. In that case, creditors' claims shall be restored in the initial amount.

9. Bosnia and Herzegovina

The fulfilment of obligations of the Guarantor under the Bosnian Guarantee may be affected or limited by applicable laws relating to bankruptcy, insolvency, restructuring, receivership, compulsory administration, involuntary liquidation, enforcement, account blockade and/or other similar laws relating to or affecting creditors' rights generally (including protective measures imposed by the governmental bodies and institutions, especially the Banking Agency of Federation Bosnia and Herzegovina as the micro-finance activities regulator) to the extent they are applicable. The fulfilment of obligations under the Bosnian Guarantee may further be affected by general legal principles such as standards of public policy, public moral, good faith, fair dealing, reasonableness (especially in exercising discretion), materiality, changed circumstances, force majeure, abuse of rights, corporate benefit and good customs that may be applied by a court, arbitration and/or other competent authority to the exercise of rights and remedies.

Bankruptcy proceedings

In case of institution of bankruptcy proceedings against the Guarantor, the court will appoint a bankruptcy trustee who shall assume control over the business and assets of the Guarantor. Bankruptcy proceedings may result in the annulment of the Guarantee, and considering that the costs of bankruptcy proceedings shall be covered prior to satisfaction of any claims of creditors, bankruptcy proceedings may have several negative impacts.

The Bosnian law on bankruptcy proceedings allows the bankruptcy trustee to contest/challenge (*pobijanje*) bankruptcy debtor's or their shareholders' legal actions (or failure to undertake legal actions) in the period varying from one year up to five years before the date of submission of request for initiation of bankruptcy proceedings. Such challenge request can be submitted within two years from the date of acceptance of bankruptcy request by the court or in a separate litigation procedure. There are various reasons based on which a contest/challenge can be made, the most common of them being where: (i) fair treatment of the settlement of creditors is disturbed or certain creditors are put in a more advantageous position even though they should have been equally ranked with other creditors, (ii) transactions with third parties were made with no or for under value consideration or (iii) such a transaction deliberately harms some of the debtor's creditors, where the third parties knew, at the time when the transaction was performed, about the debtor's insolvency and that such a transaction will harm some of the creditors.

If a challenge in the bankruptcy proceeding is successful, the entire challenged amount has to be returned to the insolvency estate, whilst the creditor remains entitled to claim the appropriate indemnification amount in accordance with its ranking in the insolvency estate (whereby a secured claim, the settlement of which has been successfully challenged, is upon the return of funds then treated as an unsecured claim).

The bankruptcy trustee shall organize the sale of the assets of the company for the purpose of creditors` settlement. Proceeds from the sale of assets would be allocated as follows: the expenses created during the bankruptcy proceedings shall be settled before any creditors. The claims of the debtor's employees for wages incurred until the moment of opening the bankruptcy proceedings in the full gross amount, severances payments up to the amount prescribed by the law and claims for payment of compensation for damages for employment related injuries, are considered as priority claims and would be settled prior to claims of creditors.

The claims of a creditor have general payment priority and may be settled only after the expenses created during the bankruptcy procedure are settled and the creditors of the priority ranking (listed above) have had their claims paid in full. Hereby, we emphasize that creditors would be settled pro rata with the remaining creditors of the same payment priority and that the interest on the claims of the creditor incurred since the opening of the bankruptcy proceedings would be a part of the lower payment priority. The third (lowest) rank consists of (i) interest in the proceeding, the claims of the bankruptcy creditors incurred after opening of the bankruptcy proceeding, (ii) costs of particular bankruptcy creditors incurred during its participation, (iii) administrative and criminal fines and related damage claims, (iv) claims related to particular gratuitous actions of the debtor, (v) equity replacing loans and (vi) claims arising from subordinated loans.

Notwithstanding the above, creditors secured by specific assets of the bankruptcy estate (mortgage creditors, pledge creditors and creditors to whom the debtor has assigned specific rights as security), are entitled to separate settlement from the proceeds made by the sale of the secured assets for their principal claims, interest and costs.

Reorganization proceedings

The ability to receive payments on the Bonds under the Guarantee issued by a Bosnian entity may be negatively affected if reorganization proceedings are initiated against the Guarantor. Upon opening of the bankruptcy proceedings, a reorganization plan may be prepared based on the motion of the bankruptcy trustee or the bankruptcy debtor. The reorganization plan may have a negative impact on the claims of the creditors, since the

reorganization plan may deviate from the provisions of law governing the bankruptcy and distribution of the bankruptcy estate.

The restructuring plan may include rules for the transformation of claims, including extension of payment terms and reduction of debt amounts. As a general rule, the restructuring plan must be accepted by the simple majority of creditors with voting rights and be approved by the court.

Limitations for granting guarantees

According to the Bosnian law on foreign exchange operations "*Official Gazette of Bosnia Herzegovina*", no. 41/2010, together with relevant secondary regulations (the "**Forex Law**" or the "**FX Rules**"), the Bosnian resident company may issue and grant Guarantees in favor of a non-resident creditor as security for loan transactions between non-residents. The relevant security instruments must be reported to the Ministry of Finance which needs to issue the necessary certificate of registration of the Company's Guarantee/security provided under the transaction documents. The delay in meeting the deadline for filing the reporting application constitutes an offence of the resident company subject to monetary penalties. Besides the monetary fine, a sanction may be imposed to the resident company from carrying out the business activity in the shortest period of three months and maximum duration of six months. The Ministry of Finance assesses in practice in discretionary manner if the filed document is compliant with the Forex Law before confirming the reporting as completed.

As an additional requirement, the Bosnian FX Rules state that a local Guarantee provider has to obtain such security that is sufficient and adequate to secure the fulfilment of a local Guarantee provider's recourse rights in the event that a non-resident beneficiary enforces the Guarantee provided by a local Guarantee provider. The applicable legislation does not specify what type of security interest would be considered as sufficient and adequate for this purpose, but there is a common understanding that any form of validly created and enforceable security would be deemed as being such. The failure of the resident company to obtain such counter-security would not affect the validity or enforceability of a Guarantee granted by a local Guarantor to a non-resident, but would rather expose a local security provider to penalties/administrative fines mandated under the Forex Law.

Although the applicable foreign exchange regulations in Bosnia Herzegovina do not provide explicitly for such restriction, the Ministry of Finance is of the opinion that a local company can provide a Guarantee in favor of a non-resident creditor as a security for a loan transaction effected between two non-residents, but only up to the amount of profit that such local company realized by conducting its business abroad (i.e. outside of Bosnia Herzegovina) in the preceding year. This actually implies that the maximum amount guaranteed by the Bosnian resident company would be capped to the amount of the profit generated by the company outside of Bosnia Herzegovina in the preceding year. Moreover, the form of the notification which a local resident has to submit to the Ministry of Finance when notifying a Guarantee contains a field for providing information on the profit generated by such resident outside of Bosnia Herzegovina in the preceding year and the Ministry of Finance has in its instruction for filing of the relevant registrations forms further clarified that this is the amount representing a cap of the amount guaranteed by the company. The latter might be seen as an indication that the Ministry of Finance might apply this limitation in practice.

As noted above, the FX Rules stipulate that the company may issue and grant Guarantees in favor of a non-resident creditor as security for loan transactions between non-residents. The FX Rules do not explicitly list bonds as a type of loan transactions between the non-resident

for which a resident may grant security, than the latter only provide that the loan transactions include financial and commercial loans, and other transaction whose economic purpose is equal to the purpose of a loan transaction. Therefore, the risk that the Ministry of Finance interprets that bonds are not the type of transaction for which a resident may grant a Guarantee may not be excluded.

According to the principle of corporate assets' preservation and rules on capital maintenance and payments to shareholders and affiliates, shareholders may not directly or indirectly reclaim their contributions and are entitled only to payment of dividends (profits) or (re)payment of capital following a decrease of share capital or liquidation. In that respect, there are certain theoretical discussions that payments pursuant to up-stream Guarantees granted by a Bosnian company in order to guarantee debt of its (indirect) shareholder or affiliates might, under certain theoretical circumstances, qualify as a type of the payment of capital violating the aforementioned provisions on capital maintenance/payments to shareholders and affiliates if not provided at arm's length basis or if provided against the corporate benefit. Consequently, such payments might be challenged as contrary to the aforementioned capital maintenance rules and rules limiting the payments to shareholders and affiliates. There is no court practice in this respect or any publicly available court decision backing to such interpretation of the applicable provisions or corresponding theoretical conclusions.

XX. SUBSCRIPTION AND SALE

The Lead Manager will, pursuant to a Subscription Agreement, agree with the Issuer and the Guarantors, subject to the satisfaction of certain conditions, procure subscribers for the Bonds at the issue price of 100.00 per cent. of their principal amount, less certain commissions as agreed upon with the Issuer. The Issuer will also reimburse the Lead Manager, the Co-Manager and the Regional Sales Agents in respect of certain of their expenses in connection with the issue of the Bonds, and the Issuer and the Guarantors have agreed to indemnify the Lead Manager, the Co-Manager and the Regional Sales Agents against certain liabilities that may be incurred in connection with the offer, issue and sale of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to the issue, sale and delivery of the Bonds.

To the extent permitted by local law, the Lead Manager, the Co-Manager, the Regional Sales Agents and the Issuer have agreed that commissions may be offered to certain brokers, financial advisors and other intermediaries based upon the amount of investment in the Bonds purchased by such intermediary and/or its customers. Each such intermediary is required by law to comply with any disclosure and other obligations related thereto, and each customer of any such intermediary is responsible for determining for itself whether an investment in the Bonds is consistent with its investment objectives.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantors or the Lead Manager, the Co-Manager and the Regional Sales Agents that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of this Offering Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum comes are required by the Issuer, the Guarantors and the Lead Manager, the Co-Manager and the Regional Sales Agents to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession, distribute or publish this Offering Memorandum or any other offering material relating to the Bonds, in all cases at their own expense.

In addition, the Lead Manager, the Co-Manager and the Regional Sales Agents and their affiliates have performed, and may in the future perform, various financial advisory, investment banking and/or commercial banking services for, and may arrange loans and other non-public market financing for and enter into derivative transactions with, the Issuer, the Guarantors and their respective affiliates, for which they have and may receive customary fees.

United States

The Bonds and the Guarantees have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Switzerland

Neither this Offering Memorandum nor any other offering or marketing material relating to the Offering, the Issuer, Holdco or the Bonds have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Memorandum will not be filed with, and the offer of Bonds will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and the offer of Bonds has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Bonds.

European Economic Area

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point (e) of Article 2 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**2017 Prospectus Regulation**"). In addition, the Bonds provide for debt obligations of the Issuer and the Guarantors with no exposure by investors to reference values or assets other than the assets and business operations of the Issuer and the Guarantors. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

XXI. GLOSSARY

XXII. DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference in this Offering Memorandum. They are published on Holdco's website at https://iutecredit.com/.

1. Audited consolidated financial statements of Holdco as of and for the financial year ended 31 December 2017, prepared in accordance with IFRS, and the independent auditor's report thereon contained in Holdco's 2017 Annual Report

• Consolidated Statement of Comprehensive Income	2017 Annual Report page 8
• Consolidated Statement of Financial Position	2017 Annual Report page 9
• Consolidated Statement of Changes in Equity	2017 Annual Report page 10
• Consolidated Statement of Cash Flows	2017 Annual Report page 11
• Notes to the Consolidated Financial Statements	2017 Annual Report pages 12 to 38
• Independent Auditor's Report	2017 Annual Report pages 39 to 40

2. Audited consolidated financial statements of Holdco as of and for the financial year ended 31 December 2018, prepared in accordance with IFRS, and the independent auditor's report thereon contained in Holdco's 2018 Annual Report.

• Consolidated Statement of Comprehensive Income	2018 Annual Report page 9
• Consolidated Statement of Financial Position	2018 Annual Report page 10
• Consolidated Statement of Changes in Equity	2018 Annual Report page 11
• Consolidated Statement of Cash Flows	2018 Annual Report page 12
• Notes to the Consolidated Financial Statements	2018 Annual Report pages 13 to 46
• Independent Auditor's Report	2018 Annual Report pages 47 to 48

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