



Hepsor AS

Up to EUR 20,000,000 unsecured bond issuance programme

TERMS AND CONDITIONS OF THE BONDS

TERMS AND CONDITIONS OF UNSECURED BONDS

*The following are the terms and conditions of the unsecured bonds (the “**Terms**”) which, as completed in accordance with the provisions of the relevant Final Terms (as defined below) for each Series (as defined below) of such bonds, shall be incorporated by reference into each such bond. The relevant Final Terms in relation to any Series of Bonds will specify the terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms, replace and modify the following Terms for the purposes of such bonds.*

Hepsor AS, a public limited company registered in Estonia, registry code 12099216 (the “**Company**”), has established this programme (“**Programme**”) for the issuance of unsecured bonds (the “**Bonds**”) in the aggregate nominal amount of up to EUR 20,000,000.

The Bonds are issued in separate series (each a “**Series**”) and the Bonds of each Series will all be subject to identical terms whether as to currency, denomination, interest or maturity or otherwise, except for their respective Issue Dates (as defined below), first Interest Payment Dates (as defined below), and/or Issue Prices (as defined below).

Each Series will be the subject to the final terms (the “**Final Terms**”) attached to each Bond, a copy of which will be available through the Company’s website (<https://hepsor.ee/en/for-investors/bonds/>).

References in these Terms to Bonds are to the Bonds of the relevant Series.

1. Interpretation

- (a) In these Terms the following expressions have the following meanings, whereas additional expressions have been defined in other parts of these Terms, where clearly marked so:

“**Equity Ratio**” means the equity divided by total assets.

“**Issue Price**” means the price payable for one Bond upon the issue thereof as determined in the relevant Final Terms.

“**Interest Commencement Date**” means the Issue Date of the Bonds (as specified in the relevant Final Terms).

“**Interest Payment Date**” means any date or dates specified as such in the relevant Final Terms.

“**Interest Rate**” means any rate (expressed as an annual percentage) specified in the relevant Final Terms on the basis of which interest is paid on the specific Bonds.

“**Group**” is the Company and all consolidated subsidiaries, affiliates and joint ventures of the Company.

“**Maturity Date**” means the date of ordinary redemption of the Bonds as determined in accordance with the relevant Final Terms.

“**Final Terms**” mean the set of additional terms and conditions of the particular Series of Bonds, together with these Terms forming the full set of terms and conditions of the particular Series of Bonds.

“**Nominal Amount**” shall mean the stated value of a Bond as specified in the relevant Final Terms.

“Programme” means the issue of the Bonds in one or several Series in accordance with these Terms.

“Register” means the Estonian Register of Securities operated by Nasdaq CSD SE Estonian branch (registry code 14306553, registered address Maakri tn 19/1, 10145 Tallinn, Estonia).

“Series” means one or several issues of the Bonds in accordance with these Terms but in each case the relevant Final Terms, which may vary in respect of different Series.

“Related Person” means a person:

- (i) directly or indirectly controlled by a Related Person of the relevant party;
- (ii) who holds a management board or supervisory board position in the relevant party;
- (iii) at least 50 percent of whose voting shares are owned or held directly or indirectly by a relevant party as a beneficial owner; or
- (iv) who directly or indirectly as a beneficial owner owns or holds at least 50 percent of the voting shares or certain class of voting shares of the relevant party; or
- (v) who directly or indirectly controls the relevant party, is under its control or joint control.

“Outstanding Principal Amount” means the principal amount of the Bond on the Issue Date as reduced by any partial redemption or repurchase from time to time.

“Terms” mean these terms and conditions of the Bonds as established by the Company, together with the relevant Final Terms forming an agreement between the Company and a Bondholder in respect of the issue and redemption of a Bond and rights and obligations arising from the Bond.

“Business Day” means a day on which commercial banks and foreign exchange markets settle inter-bank payments in euro in Tallinn and which is a settlement day of the Register.

“Bonds” mean unsecured bonds issued by the Company in accordance with these Terms and the Final Terms, representing an unsecured debt obligation of the Company before the Bondholder.

“Bondholder” is the owner of the Bond registered as such in the Register.

“Issue Date” means the date specified in the relevant Final Terms.

“Company” means Hepsor AS, a public limited company registered in Estonia, registry code 12099216.

(b) In these Terms:

- (i) if an expression is stated in Condition 1(a) (Interpretation - Definitions) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “Not Applicable” then such expression is not applicable to the Bonds;

- (ii) the word “herein” and similar words refer to these Bond Terms and not to any particular section or any other subdivision of these Bond Terms;
- (iii) (when reference is made to a number of days, such number shall refer to calendar days, unless Business Days are specified;
- (iv) references to the word “include” or “including” (or any similar term) are not to be construed as implying any limitation and general words introduced by the word “other” (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
- (v) references to any act or other regulatory instrument or any provision of any act or other regulatory instrument shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

2. Form, Denomination and Currency of the Bonds

(a) **Form**

The Bonds are issued in dematerialised book-entry form and registered in the Register. The Bonds are not numbered.

(b) **Denomination**

The Bonds will be issued in such denominations as may be specified in the relevant Final Terms.

(c) **Currency**

The Bonds are denominated in euro.

3. Title, Transfer, Delivery and Transferability

(a) **Title**

Title to the Bonds belongs to the person in whose name the Bonds are registered in the Register. References herein to the “**Bondholders**” signify the persons in whose names such Bonds are so registered.

(b) **Transfer**

The Bonds can be transferred by initiating respective transfers through the securities accounts with the Register. The title to the Bonds passes by the registration in the Register.

(c) **Delivery**

The Company organises the registration of the Bonds in the Register and their deletion from the Register upon their redemption. Only persons who have securities accounts (whether directly or indirectly via a nominee structure or otherwise) with the Register can subscribe for or purchase the Bonds.

(d) ***Transferability***

The Bonds are freely transferrable; however, any Bondholder wishing to transfer the Bonds must ensure that any offering related to such transfer would not be qualified as an offering requiring the publication of a prospectus in the meaning of the applicable law or that such transfer or offering would not be otherwise unlawful. Ensuring that any offering of the Bonds does not require publication of a prospectus under the applicable law or is otherwise lawful is the obligation and liability of the Bondholder.

The Register may temporarily block the Bonds on a Bondholder's securities account to ensure performance of corporate actions regarding the Bonds.

4. Status

- (a) The Bonds constitute direct and unsecured obligations of the Company. All claims under the Bonds have the same ranking and the obligations under the Bonds have at least the same ranking as all other unsecured and unsubordinated debt obligations of the Company.
- (b) The Company shall be liable for performance of its obligations under the Bonds with all of its assets.
- (c) No Bondholder shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Company in respect of such Bonds. If any amounts owed by the Company to any Bondholder in connection with the Bonds is discharged by set-off, such Bondholder shall, where permitted by applicable law, immediately pay an amount equal to the amount discharged to the Company (or, in the event of its insolvency or liquidation, the bankruptcy administrator or the liquidator, respectively, of the Company) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Company (or the bankruptcy administrator or the liquidator of the Company) and accordingly not deem any such discharge to have taken place.

5. Interest

The Bonds shall bear interest on its Outstanding Principal Amount from and including their Issue Date (as specified in the Final Terms) to, but excluding, the date of any final redemption at the Rate of Interest per annum specified in the Final Terms. Such interest is payable in arrear on each Interest Payment Date as is specified in the relevant Final Terms and on the date of any final redemption.

The amount of interest payable in respect of each Bond shall be calculated by applying the Rate of Interest to the Outstanding Principal Amount, whereas interest for each full calendar month during the term of the Bonds will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and interest for the partial calendar month will be calculated on the basis of a 360-day year and the actual number of days elapsed (the 30/360 interest calculation convention).

The determination by the Company of all amounts of interest for the purposes of this Condition 5 shall, in the absence of manifest error, be final and binding on all parties.

6. Redemption

- (a) ***Redemption at Maturity***

Unless previously redeemed the Bonds shall be redeemed at their principal amount on the Maturity Date.

(b) ***Optional Early Redemption (Call)***

As of one year until the Maturity Date of the Bonds of a particular Series, the Company may, having given not less than 30 days' notice to the Bondholders in accordance with Condition 13 (which notice shall be irrevocable), redeem fully or partially the Bonds of such Series at their Outstanding Principal Amount, together with accrued interest (if any) thereon.

The appropriate notice referred to in this Condition 6(b) is a notice given by the Company to the Bondholders, which notice shall be signed by a duly authorised representative of the Company and shall specify:

- (i) the Series of Bonds subject to redemption;
- (ii) whether the Bonds of such Series are to be redeemed in whole or in part only and, if in part only, the aggregate Outstanding Principal Amount of the Bonds which are to be redeemed;
- (iii) the due date for such redemption, which shall be not less than 30 days after the date on which such notice is validly given; and
- (iv) the amount at which such Bonds are to be redeemed, which shall be their Outstanding Principal Amount together with accrued interest thereon.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Company to make the redemption therein specified.

(c) ***Partial Redemption***

If the Bonds of a Series are to be redeemed only partially on any date in accordance with Condition 6(b), the Bonds shall be redeemed pro rata to their Outstanding Principal Amount, subject always to compliance with applicable laws, and, if relevant, the rules of the stock exchange on which the Bonds have then been admitted to trading. The Company shall be entitled to take any and all actions necessary (including but not limited to submitting relevant applications to the Register) to effect the partial redemption by either registration of reduction of the Nominal Value of the Notes with the Register or deletion of the Notes from Register. Bondholders acknowledge and confirm that the Company will not need any further consent or authorisation from the Bondholders to carry out any action related to the same.

(d) ***Cancellation of Redeemed and Purchased Bonds***

All Bonds redeemed in accordance with this Condition 6 will be cancelled and may not be reissued.

7. Taxation

- (a) Should any amounts payable in cash or in kind (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Bonds be subject to withholding or deduction of

any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority or agency therein or thereof having power to tax, the Company shall be entitled to withhold or deduct the respective taxes or duties. Unless the Bondholder has informed the Company and, no later than ten (10) Business Days prior to the relevant Interest Payment Date, submitted the information required via the link provided on the Company's website (<https://hepsor.ee/en/for-investors/bonds/>), that the Bondholder has subscribed for or purchased, or intends to subscribe for or purchase, the Bonds through an investment account within the meaning of § 17²(3) of Estonian Income Tax Act or a pension investment account within the meaning of § 17(1¹) of Estonian Income Tax Act, the Company shall have the right to assume with respect to any Estonian resident individual that such Bondholder has not used or does not intend to use an investment account or a pension investment account to subscribe for or purchase the Notes and shall be entitled to withhold income tax. For the avoidance of doubt, any such withholdings or deductions shall be made by the Company on the account of the Bondholder with the Company having no obligation to compensate the withheld or deducted tax amounts to the Bondholder.

8. Payments

- (a) Payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Bonds will be made to the Bondholders thereof, as appearing in the Register at the close of business on the Business Day, which is two Business Days before the due date for such payment (the "**Record Date**"). Payment of amounts due on the final redemption of the Bonds will be made simultaneously with deletion of the Bonds. If the due date for payment of any amount due on the Bonds is not a Business Day, the Bondholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms.
- (b) All payments and transfers of the Bonds to Bondholders shall be made to the current and securities account recorded in the Register.
- (c) All payments under the Terms are made in euros and without set-offs or withholdings, unless required otherwise by the applicable law.
- (d) If the Company fails to transfer any amount payable to a Bondholder in connection with the Bond by the due date, the Company undertakes to pay delay interest to the Bondholder at the Rate of Delay Interest as specified in the Final Terms on the outstanding amount as from the payment deadline until actual payment.

9. Obligations

- (a) The Company shall perform the following obligations until the Bonds are fully redeemed:
 - (i) The Company shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the Issue Date;
 - (ii) The Company shall ensure the publication of the company's financial reports and shall organise their public access in accordance with the applicable law and if relevant, the rules of the stock exchange on which the Bonds have then been admitted to trading;

- (iii) The Company shall, and shall procure that each other Group company will, keep the properties held by respective Group company insured to the extent customary for similar properties and businesses on the relevant geographical market with one or more reputable insurers;
- (iv) The Company shall not create or permit to subsist any security over all or part of the present or future assets of the Group as security for any debt, unless the security is or was created to secure (a) the financial obligations of the Company under the EUR 6,000,000 loan agreement with AS LHV Pank, dated 12 March 2021, and the EUR 2,000,000 loan agreement with AS LHV Pank, dated 12 August 2025, and/or (b) the financial obligations of any other Group company (except for the loans between the Group companies) while the financial covenants set forth in clause 9(b) are met. Notwithstanding the above, provided that the financial covenants set forth in clause 9(b) are met, the Company shall be permitted to grant guarantees to secure the financial obligations of any other Group company;
- (v) The Company shall not, and will procure that each other Group company will not, make available any loans to any other person, unless (i) such loan is granted to another Group company, and (ii) making such loan available does not bring along an Event of Default under these Terms;
- (vi) The Company and the Group companies shall not sell or transfer in any other manner the immovables owned by the Group companies that have been purchased for the development of apartment or commercial buildings to any person who is not a Group company, unless the transaction (considering all the acts associated with the transaction and costs associated with the transaction) is conducted at a price that is not lower than 10% of the last known fair market value based on the valuation prepared by an independent real estate consultant.
- (vii) The Company shall, and shall procure that each other Group company will, conduct all dealings with the direct and indirect shareholders of the Group companies and/or any Related Persons of such direct and indirect shareholders on market terms or on terms more favourable to the Group companies.
- (viii) If the Final Terms provide for the Bonds to be applied for being admitted to trading, the Company shall procure that the Bonds are admitted to trading and shall ensure that the Bonds remain admitted to trading on the relevant regulated market (or other applicable trading venue) until their full redemption.
- (b) The Company shall comply with the following financial covenants until the Bonds are fully redeemed:
 - (i) The Company shall procure at any time to have funds available in the Company's accounts in the amount of the interest payable on the next Interest Payment Date;
 - (ii) The Company shall maintain a consolidated Equity Ratio of at least 20% (twenty per cent)

The financial covenant set forth in Clause 9(b)(ii) shall be tested as at the end of each quarter and published in the quarterly and annual financial reports of the Company.

10. Events of Default

- (a) The following events or circumstances shall be events of default in relation to the Bonds (each “**Event of Default**”):
 - (i) non-payment: the Company fails to pay any amount of principal due in respect of the Bonds for more than 10 Business Days or fails to pay any amount of interest due in respect of the Bonds for more than 10 Business Days;
 - (ii) non-compliance: the Company breaches an obligation or limitation provided in Condition 9 and fails to remedy the breach (i) in case of the obligation provided in Condition 9(b)(ii) within 6 months, (ii) in case of the obligation provided in section 9(b)(i), within 30 calendar days, (iii) in case of other breaches, within 10 Business Days as of the notification of the breach by the Bondholder; or
 - (iii) winding-up: if any order is made by any competent court or resolution passed for the insolvency or liquidation of the Company.
- (b) If any Event of Default shall occur and be continuing in relation to any Bonds, then Bondholders whose Bonds represent at least one third of the outstanding principal amount of the Bonds (excluding any Bonds held by Group companies and/or any Related Persons of Group companies) shall have the right to claim early redemption by submitting a respective notice (“**Extraordinary Early Redemption Notice**”) to the Company. The Extraordinary Early Redemption Notice shall (i) include the number of the Bonds for which the Bondholder(s) is (are) claiming early redemption, (ii) define the Event of Default which is the basis for submitting the Extraordinary Early Redemption Notice and (iii) include the payment information for the payment of the amounts with respect to the Bonds to be redeemed. The Company has the right to request that each Bondholder who submits an Extraordinary Early Redemption Notice identifies themselves to a reasonable extent.
- (c) The Bondholder has the right to claim extraordinary early redemption of the Bonds under section 9(b) within 40 Business Days as of the date when the Bondholder learned of (or should have learned of) the occurrence of the Event of Default that grants the right to demand the extraordinary early redemption of the Bonds.
- (d) Upon the receipt of extraordinary early redemption notices from Bondholders in accordance with Condition 10(b) and provided that the Event of Default determined therein is continuing, the Company shall immediately notify the Bondholders of the claim for extraordinary early redemption of the Bonds.
- (e) In the event of extraordinary early redemption, the Company shall pay for each Bond for which early redemption is requested the Nominal Value as at the date of early redemption and the outstanding interest accrued until the early redemption date within 60 Business Days as of the date of submission of the last Extraordinary Early Redemption Notice, whereas the payment shall be made on the basis of the payment information submitted in the Extraordinary Early Redemption Notice or, if payment information is absent from the notice, pursuant to the regulation in the Terms.
- (f) The Bondholder may claim early redemption only for the Bonds which the Bondholder owns as at the date of submission of the Extraordinary Early Redemption Notice. If the Bondholder who

has submitted an Extraordinary Early Redemption Notice transfers the Bonds subject to extraordinary early redemption in full or in part before the date on which the Company is obliged to make the redemption payment under the Terms, the respective Extraordinary Early Redemption Notice shall be deemed as revoked with respect to the transferred Bonds.

- (g) No remedy against the Company, other than as provided in the Condition 10(b) above, shall be available to the Bondholders, whether for the recovery of amounts owing in respect of the Company or in respect of any breach by the Company of any of its obligations or undertakings with respect to the Bonds. Whereas, upon the extraordinary early redemption of the Bonds, the Bondholders shall not have the right to receive compensation from the Company for loss of profit, expenses incurred due to early redemption or similar even if they are unable to reinvest the repaid amounts with the profitability they would have earned if extraordinary early redemption had not occurred.
- (h) The Bondholder shall be liable for damage caused to the Company by an extraordinary early redemption of the Bonds on untrue grounds, in violation of the Terms or after the term provided in Condition 10(c).

11. Limitation Period

Claims against the Company in respect of the Bonds will expire (*aeguvad*) unless made within 3 years after the due date for payment.

12. Meetings of Bondholders; Modification

- (a) Circumstances may arise that call for convening meetings of the Bondholders, or for requesting Bondholders' written consent, by the Company to consider the modification or waiver of the Terms, whereas any modification of these Terms may only be made as proposed by the Company.
- (b) A notice of the Bondholders' meeting shall be provided to the Bondholders in accordance with Condition 13 (Notices) no later than 10 Business Days prior to the meeting. Bondholders registered as Bondholders in the Register as of close of business of the Register on the Business Day immediately preceding the meeting date or the date determined by the Company as the first date for collecting written consents without a meeting, shall be entitled to vote at the Bondholders' meeting or to provide their written consent.
- (c) Modifications of and amendments to the Terms may be effected by the Company, and future compliance with any Terms by the Company may be waived, with the prior consent of Bondholders representing more than half of the outstanding principal amount of the Bonds (excluding any Bonds held by the Group companies and/or any Related Persons of Group companies) or, in the case of a written consent without a meeting, the consent of persons holding or representing more than half of the outstanding principal amount of the Bonds (excluding any Bonds held by the Group companies and/or any Related Persons of Group companies).
- (d) Any modification shall be binding on the Bondholders and, any modification shall be notified by the Company to the Bondholders as soon as practicable thereafter.
- (e) The Company may, without the consent of any of the Bondholders, at any time make modifications to the Bonds which are, in the opinion of the Company, of a formal, minor, or

technical nature or are made to correct a manifest error.

13. Notices

(a) *To Bondholders*

Notices to Bondholders will be deemed to be validly given if and when published through the information system of the stock exchange in which they are listed (if applicable) or in case of unlisted Bonds if sent to them by registered mail or e-mail at their respective addresses as recorded in the Register or as otherwise available to the Company, and will be deemed to have been validly given on the fourth Business Day after the date of sending the notice by registered mail and on the next Business Day after sending the notice by e-mail.

(b) *To Company*

Notices to the Company will be deemed to be validly given if delivered to Järvevana tee 7b, 10112 Tallinn, Estonia or it delivered by e-mail to info@hepsor.ee (or at such other addresses as may have been notified to the Bondholders in accordance with this Condition 13 or via the Company's website) and will be deemed to have been validly given at the opening of business on the next day on which the Company's principal office is open for business.

14. Further Issues

The Company may from time to time without the consent of the Bondholders of any Series create and issue further Bonds and other debt securities.

15. Law and Jurisdiction

The Bonds and all non-contractual obligations arising out of or in connection with any of them are governed by Estonian law and subjected to the jurisdiction of the courts of Estonia.

FORM OF FINAL TERMS OF THE BONDS

Set out below is the form of Final Terms which will be completed for each Series of Bonds, as the case may be, issued under the Programme.

[Date]

Hepsor AS

(registry code 12099216)

Issue of EUR [Aggregate Nominal Amount of the Series] unsecured bonds under the EUR 20,000,000 unsecured bond programme

PART A - CONTRACTUAL TERMS

All capitalised terms shall have the meaning given to them in the Terms of the Bonds. These terms are the Final Terms of the Bonds referred herein. The Final Terms have been prepared for compliance with Regulation (EU) 2017/1229 of the European Parliament and of the Council and should be read together with the base prospectus and its supplements to receive all relevant information. The base prospectus and any supplements have been published on the website of the Issuer (<https://hepsor.ee/en/for-investors/bonds/>). A summary of the issue of the Bonds referred to herein has been appended to these Final Terms. The Final Terms have been approved by the resolution of the Issuer's management board dated [add date].

- | | | |
|-----|---|---|
| 1. | Issuer | Hepsor AS |
| 2. | Series number | [] |
| 3. | Aggregate Nominal Amount of the Series | EUR [amount]. [The Aggregate Nominal Amount of the series may be increased by the Company up to EUR [amount] until the Issue Date]. |
| 4. | Issue currency | EUR |
| 5. | Nominal Amount | EUR [●] |
| 6. | Issue Price | [●]% of the original Nominal Amount |
| 7. | Issue Date and Interest Commencement Date | [date] |
| 8. | Maturity date | [date] |
| 9. | Redemption | redemption at par |
| 10. | Interest | |
| | i. Calculation basis | Fixed rate |
| | ii. Interest Payment Dates | [add] |
| | iii. Interest rate | [number]% per annum |
| | iv. Interest calculation method | 30/360 |
| | v. Rate of delay interest | [number]% per day |

Signed on behalf of Hepsor AS

Member of the Management Board

PART B - OTHER INFORMATION

1. OFFERING

The Offering Period	[<i>dates</i>]
Offering jurisdictions	[Estonia / Latvia / Lithuania]
Description of the subscription process	[See Section "Subscription Undertakings" of the Prospectus/ <i>Details if specific rules are applied to determining the allocation</i>]
Publishing the results of the Offering	[<i>date</i>]
Description of distribution and allocation:	[See Section "Distribution and Allocation" of the Prospectus/ <i>Details if specific rules are applied to determining the allocation</i>]
Date of settlement	[<i>date</i>]

2. ADMISSION TO TRADING

Admission to Trading	[Application has been / will be made for the Bonds to be admitted to trading on the Bond List of the Nasdaq Tallinn Stock Exchange with the effect from the Issue Date/ <i>Details of another date</i>] / [No application for admission to trading has been made]
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3. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer	[See "Reasons for Offering and Use of Proceeds" in the Prospectus/ <i>Details of other reasons or use of proceeds</i>]
Estimated net proceeds	EUR []

4. YIELD

Indication of yield	[]% <i>per annum</i>
The yield is calculated at the Issue Date on the basis of the Issue Price. It is NOT an indication of future yield.	

5. OTHER INFORMATION

ISIN code	[]
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