



IuteCredit Finance S.à r.l.

a private limited liability company (*société à responsabilité limitée*)
governed by the laws of the Grand Duchy of Luxembourg
with registered office at 16, Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of
Luxembourg
and registered with the Luxembourg Trade and Companies Register under number B 234678
("Issuer")

EXCHANGE OFFER INVITATION

to the holders of the

EUR 50,000,000.00 bonds, 2019/2023, with ISIN number XS2033386603
(the "**2019/2023 Bonds**" and their holders the "**2019/2023 Holders**")

to exchange their bonds for the

up to EUR 50,000,000.00 bonds (the "**New Bonds**")
to be consolidated and form a single series with the EUR 75,000,000.00 bonds, 2021/2026
with ISIN number XS2378483494 (the "**Existing Bonds**").

The 2019/2023 Holders are hereby invited to exchange their 2019/2023 Bonds with the New
Bonds, under the terms and conditions contained in this exchange offer invitation dated
1 March 2023 (the "**Exchange Offer Invitation**").

Preliminary notices

2019/2023 Holders should note the following information:

The board of managers of the Issuer decided to give the 2019/2023 Holders the opportunity to exchange their 2019/2023 Bonds into the New Bonds (the "**Exchange Offer**"), which will be also offered by way of a public offering to retail investors in Estonia, Latvia, Lithuania and Germany (the "**Retail Offering**" and together with the Exchange Offer, the "**Public Offering**") and by way of an exempt offer exclusively to qualified investors within the meaning within the meaning of Article 2(e) 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 (the "**Prospectus Regulation**") and other investors in compliance with Article 1(4) (a) and (b) of the Prospectus Regulation in member states of the European Economic Area (the "**Institutional Offering**" and together with the Retail Offering, the "**Cash Offering**" and together with the Exchange Offer the "**Offering**"), to be consolidated and form a single series with the Existing Bonds.

In this context, the Issuer published a securities prospectus for the Public Offering of the New Bonds in accordance with the Prospectus Regulation, which has been approved by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de

Surveillance du Secteur Financier (CSSF) (the “**Prospectus**”). The Prospectus, on the basis of which this Exchange Offer is made, contains further information, in particular with respect to the New Bonds and to the Issuer and is published on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer’s website (<https://iutecredit.com/prospectus/>). 2019/2023 Holders should read the full Prospectus carefully and, in particular, section “II. *RISK FACTORS*” contained therein.

Application has been made for the notification of the approval of this Prospectus the competent authorities in Estonia, Latvia, Lithuania and Germany, i.e. to the Estonian Financial Supervisory Authority (Finantsinspeksioon – “**EFSA**”), to the Financial and Capital Market Commission of Latvia (Finanšu un kapitāla tirgus komisija – “**FCMC**”), to the Bank of Lithuania (**Lietuvos Bankas**) and to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “**BaFin**”) in accordance with Article 25 of the Prospectus Regulation.

Simultaneously with the Offering, the Issuer will apply to the Frankfurt Stock Exchange for the New Bonds to be listed and admitted to trading on Frankfurt Stock Exchange’s regulated market (General Standard), segment for bonds of Deutsche Börse AG. Application will also be made to the Nasdaq Tallinn Stock Exchange for the New Bonds to be listed and admitted to trading on the Baltic regulated market of the Nasdaq Tallinn Stock Exchange. The Existing Bonds are already admitted to trading on Frankfurt Stock Exchange’s regulated market (General Standard), segment for bonds of Deutsche Börse AG and on the Baltic regulated market of the Nasdaq Tallinn Stock Exchange.

The distribution of this Exchange Offer Invitation may be limited by certain legislation. Any person who enters into possession of this Exchange Offer Invitation must take these limitations into consideration. The New 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. In this respect, 2019/2023 Holders should in particular consult section “*XXI. SELLING RESTRICTIONS*” of the Prospectus.

This Exchange Offer Invitation will be published on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer’s website (<https://iutecredit.com/prospectus/>) and communicated through the Clearing System in accordance with the terms and conditions of the 2019/2023 Bonds (the “**Terms and Conditions**”) on 1 March 2023. Neither the Issuer nor affiliated companies nor its respective legal representatives, employees or advisers and agents assume any obligation in connection with this Exchange Offer Invitation to update the information contained herein or to provide information about circumstances after the date of this Exchange Offer Invitation.

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1. INTRODUCTION - BACKGROUND

The Issuer issued on 7 August 2019 in the aggregate amount of EUR 40,000,000.00, 13% senior, unsubordinated, secured, bonds payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 1,000.00 each and with ISIN number XS2033386603 (the “**Initial Bonds**”).

The Issuer increased the original aggregate principal amount of the Initial Bonds on 3 December 2020 with a tap issue of EUR 10,000,000.00 senior, unsubordinated, secured bonds, which were consolidated and formed a single series with the Initial Bonds so that their current outstanding amount is EUR 50,000,000.00 (the “**2019/2023 Bonds**”).

The Issuer has decided to issue up to EUR 50,000,000.00 senior, unsubordinated, secured bonds, payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 100.00 each (the “**New Bonds**”) to be consolidated and form a single series with the EUR 75,000,000.00 senior, unsubordinated, secured bonds, due 2026, payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 100.00 each, with ISIN number XS2378483494 (the “**Existing Bonds**”).

The Exchange Offer should take place in accordance with the following terms and conditions (the “**Terms and Conditions of the Exchange Offer**”):

2. EXCHANGE OFFER

2.1 The Issuer hereby invites the 2019/2023 Holders to exchange all of their 2019/2023 Bonds for the New Bonds (the “**Exchange**”) in accordance with these Terms and Conditions of the Exchange Offer.

2.2 The 2019/2023 Holders who accept the Exchange Offer may also subscribe in cash for New Bonds which shall be settled on a delivery-versus-payment basis (the “**Option to Purchase**”) for an issue price of EUR 96.50 (the “**Exchange Offer Price**”). Only principal amounts of at least EUR 96.50 and a multiple of these shall be invested.

3. EXCHANGE RATIO

3.1 The exchange of the 2019/2023 Bonds for the New Bonds should take place at an exchange ratio of one to ten (1:10), so that for each 2019/2023 Bond with a nominal value of EUR 1,000.00 the relevant 2019/2023 Holder shall receive ten (10) New Bonds (the “**Exchange Ratio**”).

3.2 Each 2019/2023 Holder who opts for the Exchange Offer, and subject to the acceptance of its Offer Instruction (as defined below) by the Issuer, shall also receive an amount of cash that corresponds (A) to an exchange fee of one per cent. (1%) of the nominal value of each exchanged 2019/2023 Bond, it being EUR 10.00 per exchanged 2019/2023 Bond (the “**Exchange Fee**”), (B) to the unpaid Accrued Interest for each exchanged 2019/2023 Bond, and (C) to the difference between the Exchange Offer Price of each New Bond and its nominal value, it being EUR 35.00 per exchanged

2019/2023 Bond (the “**Additional Amount**” and together with the Accrued Interest and the Exchange Fee the “**Cash Settlement Amount**”).

“**Accrued Interest**” means the pro rata interest accrued from the last interest payment date (included) of the 2019/2023 Bonds until the Settlement Date or the Alternative Settlement Date (excluded), as the case may be. Pursuant to condition 5.3 of the Terms and Conditions, the calculation of interest with respect to a period which is shorter than or equal to a full Interest Period, as defined therein, shall be made on the basis of Rule 251 ICMA (ACT/ACT).

4. EXCHANGE PERIOD

4.1 The period during which Offer Instructions may be made (the “**Exchange Period**”) begins on 1 March 2023 and ends on 29 March 2023 at 14:00 EET (the “**Participation Deadline**”).

4.2 It is in the absolute discretion of the Issuer to extend or shorten the Exchange Period via a publication on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer’s website (<https://iutecredit.com/prospectus/>). The non-delivery of the present Exchange Offer Invitation to any of the 2019/2023 Holders shall not affect the validity of the invitation or of any Offer Instruction submitted and accepted.

4.3 The Issuer may at any time during the Exchange Period withdraw the Exchange Offer and publish such withdrawal on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer’s website (<https://iutecredit.com/prospectus/>) (the “**Exchange Offer Withdrawal**”).

4.4 In the event that the Offer Instructions received or the subscriptions made in the context of the Offering (including the Offer Instructions received in the context of this Exchange Offer) exceed the aggregate principal amount of the New Bonds offered, the Issuer is entitled to terminate the Exchange Period before the Participation Deadline and to publish such decision on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer’s website (<https://iutecredit.com/prospectus/>). Such termination shall also constitute an Exchange Offer Withdrawal.

5. OFFER INSTRUCTION

5.1 2019/2023 Holders who wish to exchange their 2019/2023 Bonds can do so by submitting their instructions with their depositary institution or relevant intermediary, to forward such instructions to Clearstream Banking S.A., Luxembourg or Euroclear Bank S.A/N.V., Brussels, as operator of the Euroclear system (the “**Clearing System**”), (the “**Exchange Instruction**”).

5.2 2019/2023 Holders who wish to make use of the Option to Purchase can do so by submitting their instructions for the purchase of additional New Bonds within the

Exchange Period, with their depository institution or relevant intermediary, to forward such instructions to the Clearing System (the “**Subscription Instruction**”). A Subscription Instruction can be submitted only along with an Exchange Instruction. References to “**Offer Instruction**” contained herein shall refer to an Exchange Instruction and, if applicable, to a Subscription Instruction.

- 5.3 Offer Instructions will be taken into account only if they are received by the Issuer and/or the Tender Agent before the Participation Deadline. The Issuer and/or the Tender Agent assume no warranty or liability for the fact that Offer Instructions placed within the Exchange Period will actually be received by the Issuer and/or the Tender Agent before the Participation Deadline.
- 5.4 The 2019/2023 Holders are advised to check with their depository institution or other intermediary through which they hold the 2019/2023 Bonds whether such intermediary needs to receive instructions from a 2019/2023 Holder before the Participation Deadline in order for that 2019/2023 Holder to be able to participate in the Exchange Offer. The deadlines set by the Clearing System for the submission of Offer Instructions might also be earlier than the Participation Deadline.
- 5.5 Each Exchange Instruction shall be made in respect of a nominal amount corresponding at least to EUR 1,000, notwithstanding the market value of each 2019/2023 Bond. A Subscription Instruction shall be made in respect of a principal amount of EUR 96.50 or a multiple thereof. The total volume of each Offer Instruction shall not result in the delivery of a fraction of a New Bond and is limited to the total volume of the Exchange Offer.
- 5.6 Offer Instructions may be cast with the relevant depository institution to be forwarded to the Clearing System, using the form provided therefrom and in accordance with the procedures of the relevant Clearing System. Each Offer Instruction shall contain an irrevocable instruction:
 - (a) to accept or reject the Exchange Offer;
 - (b) to block the relevant tendered 2019/2023 Bonds in the Clearing System until the Settlement Date or the Alternative Settlement Date, as the case may be, or following the occurrence of an Exchange Offer Withdrawal; and
 - (c) to proceed with the Settlement on the Settlement Date or the Alternative Settlement Date, as the case may be, provided that the Clearing System has received a corresponding instruction for the transfer of the New Bonds and the Cash Settlement Amount by the Issuer.
- 5.7 By submitting an Offer Instruction which contains a Subscription Instruction to the financial institutions, a 2019/2023 Holder authorises and instructs the financial institution operating the 2019/2023 Holder’s cash account connected to its securities account (which may or may not also be the 2019/2023 Holder’s custodian) to immediately block the whole transaction amount on the 2019/2023 Holder’s cash account until the settlement is completed or funds are released. The transaction amount to be blocked will be equal to the Exchange Offer Price multiplied by the

Maximum Amount (as defined below). 2019/2023 Holders may submit Offer Instructions containing Subscription Instructions only when there are sufficient funds on the cash account connected to its securities account to cover the whole transaction amount for that particular Subscription Instruction.

- 5.8 All the Offer Instructions cast will be irrevocable, save for the automatic revocation of an Offer Instruction in the event of occurrence of an Exchange Offer Withdrawal.

6. TENDER AGENT

- 6.1 **BPER Bank Luxembourg SA**, a public limited liability company (*société anonyme*), incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 30, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B54033, will act as tender agent for the purpose of this Exchange Offer (the "**Tender Agent**").

7. ACCEPTANCE OF THE OFFER

- 7.1 It is in the sole and absolute discretion of the Issuer not to accept Offer Instructions in whole or in part without stating reasons. The decision of the Issuer with respect to the result of the Exchange Offer and the acceptance or rejections of the Offer Instructions submitted, shall be published on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer's website (<https://iutecredit.com/prospectus/>) one (1) Business Day after the Participation Deadline.

- 7.2 Offer Instructions which do not comply with the Terms and Conditions of the Exchange Offer shall not be accepted. Notwithstanding the preceding sentence, the Issuer reserves the right to accept Offer Instructions in spite of violations of the Terms and Condition of the Exchange or failure to meet the Exchange Period, without being obliged to proceed in the same manner with all Offer Instructions being made in violation of the Terms and Condition of the Exchange.

- 7.3 With respect to the approved Offers, the Issuer will confirm the final results of the validly tendered 2019/2023 Bonds to the Clearing System and instruct the latter to proceed with the Settlement, in accordance with the procedures of the relevant Clearing System.

- 7.4 2019/2023 Holders who do not participate in the Exchange Offer, or whose 2019/2023 Bonds are not accepted for exchange by the Issuer, will continue to hold their 2019/2023 Bonds subject to the Terms and Conditions.

8. LEGAL CONSEQUENCE OF THE EXCHANGE OFFER

- 8.1 Upon acceptance by the Issuer of an Exchange Instruction, an agreement on the exchange of the 2019/2023 Bonds for New Bonds and the delivery of the Cash Settlement Amount, in accordance with the provisions of the Terms and Conditions of the Exchange Offer, shall come into effect between the relevant 2019/2023 Holder and

the Issuer. Subject to the acceptance of an Exchange Instruction by the Issuer, each 2019/2023 Holder and the Issuer agree on the transfer of ownership of the 2019/2023 Bonds to the Issuer, and on the transfer of ownership of an equal number of New Bonds and of the Cash Settlement Amount to each 2019/2023 Holder, under the terms of the Settlement (as defined below).

9. SETTLEMENT OF THE EXCHANGE OFFER

- 9.1 The execution and settlement of the Exchange Offer, namely the exchange of the 2019/2023 Bonds and the New Bonds between the 2019/2023 Holders and the Issuer and the payment of the Cash Settlement Amount (the “**Settlement**”) shall take place on 6 April 2023 (the “**Settlement Date**”) through the Clearing System and as long as the Issuer delivers the New Bonds and the Cash Settlement Amount thereto, it will be discharged of any obligations under the Exchange Offer. The above timeline may change at the absolute discretion of the Issuer, so that the Settlement will occur at the date indicated by the Issuer via a publication on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer’s website (<https://iutecredit.com/prospectus/>) (the “**Alternative Settlement Date**”).
- 9.2 The settlement of the submitted Subscription Offers will take place on the Settlement Date as further described in section “XX. *Subscription, Sale and Offer of the New Bonds*” subsection “10. *Settlement and Trading*” of the Prospectus.
- 9.3 Provided the Issuer delivers, or has delivered on its behalf, the New Bonds, and makes, or has made on its behalf, full payment of the Cash Settlement Amount for all the 2019/2023 Bonds accepted for exchange pursuant to the Exchange Offer to the relevant Clearing System on the Settlement Date or the Alternative Settlement Date, as the case may be, under no circumstances will any additional distribution or interest be payable to a 2019/2023 Holder because of any delay in the delivery of the New Bonds by, or transmission of funds from, the relevant Clearing System or any other intermediary with respect to such 2019/2023 Holder’s holding.

10. ACKNOWLEDGEMENTS AND REPRESENTATIONS

- 10.1 By submitting an Offer Instruction, each 2019/2023 Holder acknowledges, represents, warrants and undertakes, to the Issuer, any Guarantor and the Tender Agent:
- (a) it has received this Exchange Offer Invitation, and has reviewed and accepts the offer and distribution restrictions, terms, conditions, risk factors and other considerations of the Exchange Offer and the New Bonds, all as described in this Exchange Offer Invitation and the Prospectus, and has on its own or with the help of its tax, accounting, financial, regulatory, legal or other professional advisers, undertaken an appropriate analysis of the implications of the Exchange Offer in the context of its particular financial situation and the impact any decision to participate (or not participate) in the Exchange Offer will have on its overall investment portfolio, in each case without reliance on the Issuer, any Guarantor and the Tender Agent;

- (b) by blocking the relevant 2019/2023 Bonds in the Clearing System, it will be deemed to consent to have such Clearing System provide details concerning its identity to the Issuer and the Tender Agent (and for the Tender Agent to provide such details to the Issuer and to their respective legal advisers);
- (c) subject to the Terms and Conditions of the Exchange Offer, it offers for exchange in the Exchange Offer the nominal amount of 2019/2023 Bonds specified in the Offer Instruction validly submitted and blocked in the Clearing System and, subject to and effective upon such exchange by the Issuer, it renounces all right, title and interest in and to all such 2019/2023 Bonds exchanged by or at the direction of the Issuer and waives and releases any rights or claims it may have against the Issuer or any Guarantor with respect to any such 2019/2023 Bonds and the Exchange Offer;
- (d) if the 2019/2023 Bonds offered for exchange are accepted for exchange by the Issuer, it acknowledges that: (i) any New Bonds deliverable and Cash Settlement Amount payable to it in respect of the 2019/2023 Bonds so accepted will be delivered, deposited or paid (as the case may be) by or on behalf of the Issuer with or to the Clearing System on the Settlement Date or the Alternative Settlement Date as the case may be; (ii) the Clearing System thereafter will deliver such New Bonds and pay such Cash Settlement Amount promptly to the relevant account(s) in the Clearing Systems of the relevant 2019/2023 Holder or its intermediary holding an account therein; and (iii) the New Bonds will be delivered and the Cash Settlement Amount will be paid to the Clearing System account(s) in which the relevant 2019/2023 Bonds are held; and the delivery of such New Bonds and payment of such Cash Settlement Amount to or to the order of the Clearing System will discharge the obligation of the Issuer to such 2019/2023 Holder in respect of the delivery of the New Bonds and payment of the Cash Settlement Amount, and no additional amounts shall be payable to the 2019/2023 Holder in the event of a delay in the transmission of the relevant New Bonds and/or payment of the relevant Cash Settlement Amount by the relevant Clearing System or an intermediary to the 2019/2023 Holder;
- (e) agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer or the Tender Agent, any of its managers or any person nominated by the Issuer in the proper exercise of his or her powers and/or authority hereunder;
- (f) it agrees to do all such acts and things as shall be necessary and execute and deliver any additional documents deemed by the Issuer to be desirable, in each case to complete the transfer of the relevant 2019/2023 Bonds to the Issuer and/or the Tender Agent in exchange for the relevant New Bonds and/or to perfect any of the authorities expressed to be given hereunder;
- (g) it has (i) observed the laws of all relevant jurisdictions, (ii) obtained all requisite governmental, exchange control or other required consents, (iii) complied with all requisite formalities, (iv) paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance

in any jurisdiction and (v) not taken or omitted to take any action in breach of the Terms and Conditions of the Exchange Offer or which will or may result in the Issuer, the Guarantors and the Tender Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Exchange Offer;

- (h) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations, shall be binding upon its successors, assignees, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death, dissolution, bankruptcy, insolvency or incapacity;
- (i) no information has been provided to it by the Issuer, the Guarantors and the Tender Agent, or any of their respective managers, employees, agents or advisers, with regard to the tax consequences for the 2019/2023 Bonds arising from the Exchange Offer, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Exchange Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Guarantors and the Tender Agent, or any of their respective managers, employees, agents or advisers, or any other person in respect of such taxes and payments;
- (j) it is not a person to whom it is unlawful to make an invitation pursuant to the Exchange Offer and the Prospectus under applicable securities laws and it has not distributed or forwarded this Exchange Offer Invitation or any other documents or material relating to the Exchange Offer to any other person and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Offer) complied with all laws and regulations applicable to it for the purposes of its participation in the Exchange Offer;
- (k) the New Bonds are being offered and sold in transactions not involving a public offering in the United States within the meaning of the Securities Act, and the New Bonds have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (terms used in this and the following paragraph that are defined in Regulation S under the Securities Act are used as defined in Regulation S), as further specified in the Prospectus;
- (l) either (a) (i) it is the beneficial owner of the 2019/2023 Bonds being offered for exchange; and (ii) it is located outside the United States and is participating in the Exchange Offer from outside the United States and it is not a U.S. person, or (b) (i) it is acting on behalf of the beneficial owner of the 2019/2023 Bonds being offered for exchange on a non-discretionary basis and has been duly authorised to so act; and (ii) such beneficial owner has confirmed to it that it is

located outside the United States and is participating in the Exchange Offer from outside the United States and it is not a U.S. person;

- (m) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person to whom this Exchange Offer Invitation and any other documents or materials relating to the Exchange Offer may lawfully be communicated in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;
- (n) it is not a target of any financial or economic sanctions or trade embargoes administered or enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury (OFAC), the U.S. Department of State or U.S. Department of Commerce or any other U.S., EU, United Nations or UK economic sanctions;
- (o) the New Bonds may be offered and sold to it in compliance with each restriction set out in the section of the Prospectus headed “*XXI. SELLING RESTRICTIONS*”;
- (p) it has full power and authority to offer for exchange and transfer the 2019/2023 Bonds offered for exchange and, if such 2019/2023 Bonds are accepted for exchange by the Issuer, such 2019/2023 Bonds will be transferred to, or to the order of, the Issuer with full title free from all liens, charges and encumbrances and not subject to any adverse claim, together with all rights attached to such 2019/2023 Bonds, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Issuer to be necessary or desirable to complete the transfer and cancellation of such 2019/2023 Bonds or to evidence such power and authority;
- (q) it holds and will hold, until the Settlement Date or the Alternative Settlement Date, or upon the occurrence of an Exchange Offer Withdrawal as the case may be, the 2019/2023 Bonds blocked in the Clearing System and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has submitted, or has caused to be submitted, an Offer Instruction to such Clearing System to authorise the blocking of the 2019/2023 Bonds offered for exchange with effect on and from the date of such submission so that, at any time pending the transfer of such 2019/2023 Bonds on the Settlement Date or the Alternative Settlement Date, as the case may be, to the Issuer, or to its agent on its behalf, or until the occurrence of an Exchange Offer Withdrawal, no transfers of such 2019/2023 Bonds may be effected;
- (r) it understands that should the Issuer accept the submitted Offer Instruction for exchange of 2019/2023 Bonds, this will constitute a binding agreement between it and the Issuer in accordance with and subject to the Terms and Conditions of the Exchange Offer;
- (s) it understands that the Issuer may, in its sole and absolute discretion, extend or terminate the Exchange Period at any time and that, in the event of a termination of the Exchange Offer, the Offer Instructions with respect to the

2019/2023 Bonds will be released (and the relevant 2019/2023 Bonds returned to the relevant 2019/2023 Holders);

- (t) none of the Issuer, the Guarantor and the Tender Agent, or any of their respective managers, employees, agents or advisers, has given it any information with respect to the Exchange Offer save as expressly set out in this Exchange Offer Invitation and the Prospectus, nor has any of them made any recommendation to it as to whether it should offer the 2019/2023 Bonds for exchange in the Exchange Offer and it has made its own decision with regard to offering the 2019/2023 Bonds for exchange in the Exchange Offer based on any tax, accounting, financial, regulatory or legal advice it has deemed necessary to seek;
- (u) it acknowledges that the Issuer and the Guarantors will rely upon the truth and accuracy of the foregoing acknowledgments, agreements, representations, warranties and undertakings;
- (v) the Terms and Conditions of the Exchange Offer shall be deemed to be incorporated in, and form a part of, the Offer Instruction which shall be read and construed accordingly, and it confirms that the information given by or on behalf of it in the Offer Instruction is true and will be true in all respects at the time of the exchange on the Settlement Date or the Alternative Settlement Date, as the case may be;
- (w) it accepts that the Issuer is under no obligation to accept any Offer Instruction and accordingly Offer Instructions may be accepted or rejected by the Issuer in its sole and absolute discretion and for any reason; and
- (x) it will indemnify the Issuer, the Guarantors and the Tender Agent and their respective managers, employees, affiliates, agents or advisers, against any and all losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the acknowledgements, agreements, representations, warranties and/or undertakings given pursuant to, the Exchange Offer by any 2019/2023 Holder.

10.2 In addition to the acknowledgements and representations contained in clause 10.1, by submitting an Offer Instruction which contains a Subscription Instruction, each 2019/2023 Holder:

- (a) accepts that the number of the New Bonds indicated by the 2019/2023 Holder in the Subscription Instruction will be regarded as the maximum number of the New Bonds which the 2019/2023 Holder wishes to acquire (the “**Maximum Amount**” and that the 2019/2023 Holder may receive less (but not more) New Bonds than the Maximum Amount subscribed for;
- (b) undertakes to acquire and pay for any number of the New Bonds allocated to them up to the Maximum Amount;

- (c) authorises and instructs the financial institution through which the Subscription Instruction is submitted and the Issuer, as the case may be, to arrange the settlement of the transaction on their behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the transaction;
- (d) authorises the financial institution through which the Subscription Instruction is submitted and the Issuer, as the case may be, to process and forward information on the identity of the 2019/2023 Holder and the contents of the 2019/2023 Holder's Subscription Instruction to the Issuer and/or its advisors, as the case may be, before, during and after the Offer Period;
- (e) authorises the financial institution through which the Subscription Instruction is submitted and the Issuer, as the case may be, to amend the information contained in the Subscription Instruction, including to (a) specify the value date of the transaction, (b) specify the number of the New Bonds to be purchased by the 2019/2023 Holder and the total amount of the transaction, up to the Maximum Amount times the Offer Price; (c) correct or clarify obvious mistakes or irregularities in the Subscription Instructions, if any;
- (f) acknowledges that the Exchange Offer does not constitute an offer for the New Bonds by the Issuer within the meaning of Section 16(1) of the Estonian Law of Obligations Act (*Võlaõigusseadus*), Section 1536. and Section 1537. of the Civil Law of Latvia, Section 6.167 (1) and (2) of the Lithuanian Civil Code (*Lietuvos Respublikos Civilinis kodeksas*) and Sections 145 et seq. of the German Civil Code (*Bürgerliches Gesetzbuch*) or otherwise, and that the submission of a Subscription Instruction does not constitute the acceptance of a sales offer, and therefore does not in itself entitle the 2019/2023 Holder to acquire the New Bonds, nor results in a contract for the sale of the New Bonds between the Issuer and the 2019/2023 Holder.

11. ESTIMATED TIMELINE OF THE OFFERING

<i>Approval of the Prospectus by the CSSF and notification to EFSA, FCMC, Lietuvos Bankas and BaFin. Publication of the approved Prospectus on the Issuer's website</i>	<i>1 March 2023</i>
<i>Publication of the Exchange Offer Invitation on the Issuer's website and communication thereof via the Clearing System</i>	<i>1 March 2023</i>
<i>Commencement of the Exchange Period</i>	<i>1 March 2023</i>
<i>Commencement of the Offer Period</i>	<i>6 March 2023</i>
<i>End of the Exchange Period</i>	<i>29 March 2023</i>
<i>Announcement of the results of the Exchange Offering</i>	<i>30 March 2023</i>
<i>End of the Offer Period and announcement of the results of the Cash Offering</i>	<i>31 March 2023</i>

<i>Issue Date of the Bonds</i>	<i>6 April 2023</i>
<i>Application for the admission of the Bonds to trading on the regulated market of the Frankfurt Stock Exchange and of the Nasdaq Tallinn Stock Exchange</i>	<i>On or about 31 March 2023</i>
<i>Settlement Date</i>	<i>6 April 2023</i>
<i>Alternative Settlement Date</i>	<i>To be indicated (if any) at the absolute discretion of the Issuer</i>

12. PUBLICATIONS, DISTRIBUTION OF THIS EXCHANGE OFFER INVITATION, OTHER INFORMATION

- 12.1 This Exchange Offer Invitation will be published on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer's website (<https://iutecredit.com/prospectus/>) and sent to the 2019/2023 Holders via the Clearing System. This Exchange Offer Invitation may not be published, distributed or disclosed, neither directly nor indirectly, if this is prohibited under any applicable provision or subject to the compliance with official procedures or the granting of any permission or other requirements. The distribution of this Exchange Offer Invitation is subject to the provisions of the Prospectus and in particular section "XXI. SELLING RESTRICTIONS" thereof.
- 12.2 The Issuer assumes no liability for the disclosure or transmission of this Exchange Offer Invitation or the acceptance of the Exchange Offer being compatible with the relevant foreign regulations. All publications and other notices of the Issuer in connection with this Exchange Offer shall exclusively be published on the website of the Luxembourg Stock Exchange (www.luxse.com), the Nasdaq Tallinn Stock Exchange (<http://www.nasdaqbaltic.com>), the Frankfurt Stock Exchange (www.boerse-frankfurt.de) and the Issuer's website (<https://iutecredit.com/prospectus/>), unless there is any further publication requirement.
- 12.3 Queries in relation to the Exchange Offer may be submitted via telephone or e-mail to:

Aalto Capital AG
For the attention of Manfred Steinbeisser
e-mail: manfred.steinbeisser@aaltocapital.com
telephone: +49 175 2668901

13. GOVERNING LAW AND JURISDICTION

13.1 Governing Law

This Exchange Offer Invitation shall be governed by and construed in accordance with Luxembourg law.

13.2 Jurisdiction

Any disputes, which may arise out of or in connection with this Exchange Offer Invitation (including a dispute regarding the existence, validity or termination of this Exchange Offer Invitation or any non-contractual obligations arising out of or in connection with this Exchange Offer Invitation), shall be settled in the courts of Luxembourg-City.