

ESTO bond issue

Opportunity to invest in 2-year, 12% fixed coupon, up to EUR 15 million bond issue



About ESTO

- ESTO, a leading innovative payments technology company offering shopping solutions for e-commerce merchants across the Baltics, currently serves over 5,500 unique points of sale and has more than 617,000 active users.
- ESTO was founded in 2017 by Mikk Metsa, Martin Ustaal, and Mikk Mihkel Nurges, who remain actively involved in guiding the company today. Starting in Estonia, ESTO quickly expanded its operations across the Baltic region, entering Latvia and Lithuania, which together form a unified market landscape. ESTO now operates with a team of 77 employees.
- ESTO's business model facilitates payments between clients and merchants in e-commerce by providing real-time payments to merchants and offering clients flexible payment options, allowing them to choose the most convenient terms, such as monthly payments, deferred payments, or a flexible payment schedule.
- ESTO is audited by KPMG Baltics OU in accordance with IFRS standards.

Portfolio snapshot

- ESTO's net loan portfolio comprises three main product lines: consumer credit lines (72.6%), consumer hire purchases (18.5%), and small loans to consumers (8.8%).
- Geographically, ESTO's net loan portfolio is predominantly located in Estonia EUR 57.2m, which accounts for 84% of the total, while Latvia EUR 6.4m and Lithuania EUR 4.8m represent 9% and 7%, respectively.
- ESTO's net loan portfolio saw significant growth during the first nine months of 2024, reaching EUR 68.4m—a 21% (Y-on-Y) increase. Since 2021, the portfolio has more than doubled, growing from EUR 30.3m to EUR 68.4m, reflecting a 126% increase and an average annual growth rate of 31%.
- ESTO's average loan amount for credit lines was EUR 2,867 and an average APR¹ of 49.8%. For hire-purchase, the average loan was EUR 617, with a 16-month term and an average APR of 28.9%. Small loans averaged EUR 1,044, with a 34-month term and an average APR of 49.5%.
- The quality of the consumer loan portfolio reached a historically low non-performing loan ratio, with loans more than 90 days past due at just 0.4% by the end of H1 2024.

Financial highlights

- In 9M 2024, ESTO's revenue reached EUR 23.0m, a 31% increase from the same period in 2023. Since 2021, revenue growth has averaged 36% annually, with (LTM) revenues reaching EUR 29.6m, up 151% compared to 2021.
- EBITDA grew by 67% (Y-on-Y) to EUR 10.5m in 9M 2024, with the (LTM) EBITDA reaching EUR 12.9m. Since 2021, EBITDA has experienced an average annual growth of 33%, totaling a remarkable 135% increase, compared to (LTM) EBITDA results.
- ESTO achieved strong expense management and revenue growth, resulting in a growing EBITDA margin of 46% in 9M 2024, an increase of 10 percentage points from the same period last year.
- Net profit growth has been gradual since 2021, but in 2024, it more than doubled, reaching EUR 5.1m for 9M 2024. ESTO's (LTM) net profit also doubled to EUR 5.8m, reflecting a 100% increase compared to 2023.
- ESTO's adjusted equity rose by EUR 7.0m to EUR 19.5m, with a strong capitalization ratio of 29% as of 30 September 2024.
- ESTO maintains a diversified funding structure, consisting of bonds (19%), bank loans (15%), P2P marketplace loans (27%), other loans (13%), equity (16%), and subordinated loans (10%).
- As of the end of September 2024, the ICR reached 1.9x, marking its highest level since 2021.
- In 2024, ESTO is projected to generate €190m GMV², with an EUR 75m loan portfolio, EUR 32m revenue, EUR 14m EBITDA, and EUR 7m net profit.

Financial highlights

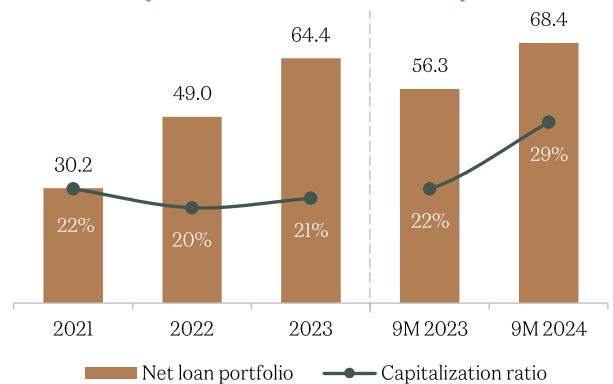
€ million	2021 (audited)	2022 (audited)	2023 (audited)	LTM 2024 ¹	9M 2023 (unaudited)	9M 2024 (unaudited)
Revenue	11.8	16.5	24.1	29.5	17.5	23.0
EBITDA	5.5	5.8	8.7	12.9	6.3	10.5
EBITDA margin	47%	41%	43%	44%	36%	46%
Net profit	2.7	2.2	2.9	5.8	2.2	5.1
Net loan portfolio	30.3	47.4	62.9	68.4	56.3	68.4
Cash	0.8	0.9	2.4	3.5	2.6	3.5
Adjusted Equity ²	7.1	10.4	14.3	19.5	12.5	19.5
Total borrowings	25.5	41.5	54.3	56.8	50.2	56.8
Interest coverage ratio	2.1x	1.7x	1.5x	1.9x	1.6x	1.9x
Capitalization ratio ³	23%	21%	22%	29%	22%	29%

1 Last twelve months ending September 2024

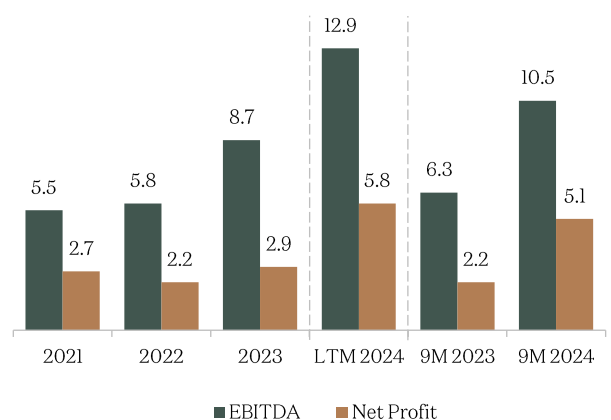
2 Including subordinated loans

3 (Equity + subordinated loans) / Total net loan portfolio

Net loan portfolio (€m) & Cap ratio



Development of key financials (€m)



Notes: 1 APR (Annual Percentage Rate)

2 GMV (Gross Merchandise Value)

Source: ESTO Holdings OU financial reports and presentations

Term Sheet

Issuer	ESTO Holdings OU (Estonia)
Type of security	Senior Secured and Guaranteed Bonds
Collateral	<ul style="list-style-type: none"> Pledge of loan receivables in Estonia, Latvia and Lithuania with 120% coverage of outstanding bonds
Guarantees	<ul style="list-style-type: none"> Corporate guarantees by all Material Subsidiaries Pledge over any current and future material intragroup loans made by the issuer to Material Subsidiaries
Issue size	Up to EUR 15,000,000
Coupon rate	12.00%
Coupon frequency	Quarterly
Term / Maturity	2 years
Principal repayment	Maturity date, bullet
Call Option	<ul style="list-style-type: none"> @102% year 1 @101% year 2 @100% 3 months before maturity
Put Option	@101% Change of Control
Nominal value	EUR 1,000
Offering type	Private placement
Minimum subscription	EUR 100,000
Use of proceeds	<ul style="list-style-type: none"> Refinancing of EE3300002294 bonds with maturity November 2024
Covenants ¹	<ul style="list-style-type: none"> Capitalization ratio at least 20% ICR at least 1.25x Net Loan Portfolio / outstanding Notes at least 1.2x
Legal Advisor	Eversheds Sutherland Ots (Estonia)
Collateral Agent	TRINITY (Estonia)
Arranger	Signet Bank AS

Key investment highlights

1. Market Leader - #1 non-bank credit provider in Estonia
2. Strong financial health, Capitalization Ratio of 29%, Interest Coverage Ratio 1.9x
3. Secured by a pledge on a loan portfolio pool covering the total bond issue by 1.2 times
4. Successful partial redemptions of €5 million in bonds in September and October 2024
5. A growing network of over 4,000 partner shops and a strong customer base of 617 thousand loyal customers in the Baltic States

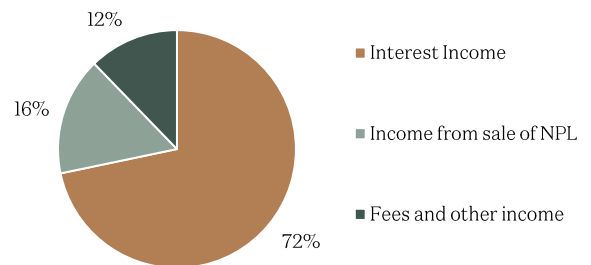
ESTO bond issue

- ESTO has launched a new bond issue amounting to up to EUR 15 million. The proceeds will be used to refinance the existing bonds maturing in November 2024 and expansion of credit portfolio.
- The bonds are secured by a pledge on loan portfolio pool by ESTO subsidiaries in Baltic States and shall at all times cover the total bonds outstanding at least 1.2 times.
- Bondholders of EE3300002294, with bonds set to mature on November 22, 2024, are being offered the opportunity to exchange their existing bonds for newly issued bonds. For example, each investor holding an existing bond valued at EUR 100,000 will receive a new bond with a nominal value of EUR 100,000.

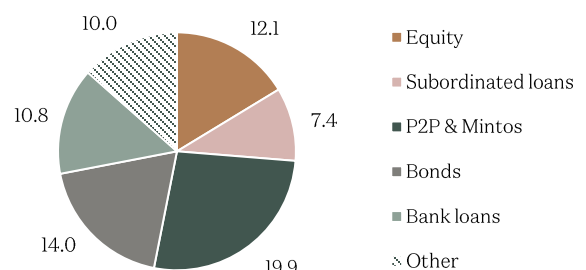
ESTO in the capital markets

- ESTO debuted in the capital markets in 2021 and have issued various bond tranches with various maturities ever since.
- Due to Estonian Regulator approach to consumer lending companies bonds not allowed being listed on Nasdaq Tallinn, ESTO bond issues are structured as private placements and the company publishes all relevant financial information on its website.

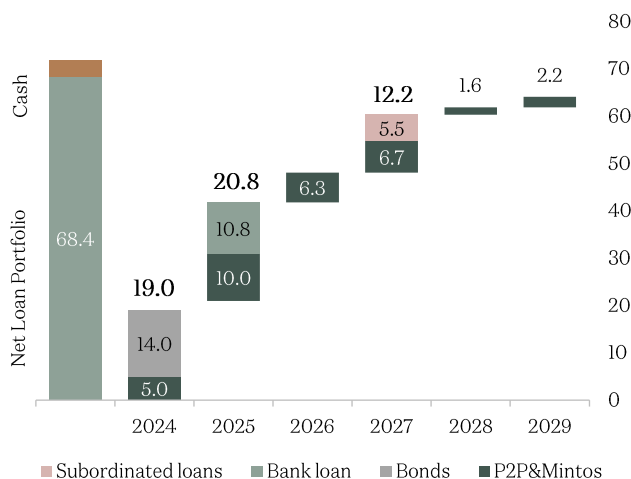
Revenue distribution (9M 2024)



Funding profile (€m, 30.09.2024)



Liability maturities (€m, 30.09.2024)



Notes: ¹ Full list of covenants can be found in the Prospectus

Source: Financial reports and information provided by the management

This presentation (the Presentation) has been prepared by Signet Bank AS solely for use in connection with the contemplated offering of ESTO Holdings OU (the Issuer) bonds (the Notes) and may not be reproduced or redistributed in whole or in part to any third party.

This Presentation is for information purposes only. The Notes have their own particular terms and conditions that should be considered before making an investment decision. A prospective investor should not make an investment decision relying solely upon this Presentation. By attending a meeting where this Presentation is presented or by reading the Presentation you agree to be bound by the following terms, conditions, and limitations.

No liability

The information in this Presentation is based on the data provided by ESTO Holdings OU and has not been independently verified and can be subject to updating, completion, revision, and further amendment. The Signet Bank AS undertakes no obligation to update this Presentation or to correct any inaccuracies that may become apparent. The facts, information, opinions and estimates contained in this Presentation have been obtained from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, and reliability.

This Presentation contains forward-looking statements that are based on current expectations and assumptions of the Issuer and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by context, words such as "aims", "expects", "anticipates", "intends", "plans", "believes", "estimates", "assumes", "seeks", and similar expressions are intended to identify such forward-looking statements. Opinions and any other contents in this Presentation are provided for personal use and for tentative reference only.

No advice

This Presentation shall not be treated as legal, financial or tax advice of any kind. The investors shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue and investment into the Notes. Nothing in this Presentation shall be construed as giving of investment advice by the Signet Bank AS or any other person.

Each potential investor must determine the suitability of the investment in light of its own circumstances. In particular, you should have: (i) sufficient knowledge and experience, access to and knowledge of appropriate analytical tools to meaningfully evaluate and fully understand this investment opportunity alongside with its advantages and risks, as well as the impact of this investment on your overall investment portfolio; (ii) sufficient financial resources and liquidity to bear all of the risks associated with this investment. If you are in any doubt as to whether to invest in the Notes, you should consult a qualified independent adviser.

General restrictions and distribution

This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute violation of applicable securities laws of such countries. Investors are required to inform themselves of any such restrictions and return this Presentation to the Issuer should such restrictions exist. By accepting this Presentation, the recipient represents and warrants that it is a person to whom this presentation may be delivered or distributed without a violation of the laws of any relevant jurisdiction. This Presentation is not to be disclosed to any other person or used for any other purpose and any other person who receives this Presentation should not rely or act upon it.

Conflict of interest

Signet Bank AS may receive a fee from ESTO Holdings OU.

By presenting this material the Signet Bank AS has a conflict of interest situation. The Signet Bank AS Policy for Prevention of Conflicts of Interest is available on the website: <https://www.signetbank.com/mifid/>.

The Issuer or its affiliates may, subject to applicable laws, purchase the Notes. It should be noted that under specific circumstances their interests may conflict with those of other noteholders.

Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence ESTO Holdings OU are Risk of economic slowdown, Risk related to Global pandemic, Risk related to Geo-political tension, Risks related to Changes in legislation, Risks related to Changes in tax law and practice, Consumer lending market risk, Competition risk in the consumer lending segment, Risks related to external service providers, Financial leverage risk, Risk related to Employee attraction and retention, Dependence on the operational management team risk, Risks related Cybersecurity and IT-related risks, Counterparty credit risk, Operational risk, Risk related to Force majeure, Risks associated with Collateral Agent Agreement, Risks associated with the value of the Collateral, Risks associated with Parallel Debt, Collateral Enforcement Risk, Risks related to Collateral Agent's actions.

When investing funds in bonds, investors undertake the following risks related to debt securities: Liquidity risk, Notes repayment risk, Price risk, Early redemption risk, Tax risk, Resolutions of Noteholders risk, Risk that some Investors might have more preferential terms than others.

The risks indicated in this section may reduce ESTO Holdings OU ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect ESTO Holdings OU.