Apollo Group bond issue

Opportunity to invest in the bonds of the no. 1 entertainment and dining Group in the Baltics

APOLLO GROUP SIGNET BANK

About Apollo Group

- Founded in 2000 as a bookstore, Apollo Group OÜ (Apollo, The Group) has grown into the leading «eatertainment» company in the Baltics, combining entertainment and dining experiences under one brand, and expanded into Finland in 2021.
- Entertainment includes Apollo Cinema, no. 1 cinema chain in the Baltics, and Apollo Shop, while dining spans proprietary brands (Lido, MySushi, CanCan, and others) and franchise brands (KFC and Vapiano). Apollo employs more than 4,300 people.
- The Group's strategy is based on a coherent "destination" offering, where entertainment and dining is positioned to complement each other, supported by organic growth and selective acquisitions.
- Apollo is led by a seasoned Management Board with senior operational and financial expertise, including prior CEO and CFO roles in leading Baltic telecom, media and retail companies.
- Apollo is 100% owned by MM Grupp OÜ, which is controlled by Margus Linnamäe – an experienced Estonian entrepreneur with diversified holdings across pharmaceuticals, retail, media and entertainment.

Business overview

- As of April 2025, Apollo operates 170 units across four countries: 88 in Estonia (41% of revenue), 35 in Latvia (39%), 37 in Lithuania (14%), and 10 in Finland (6%).
- The Group benefits from a diversified revenue base, with food concepts generating c. 70% of revenue, complemented by cinema ticket sales, concessions and advertising income, providing balanced exposure to everyday dining and affordable leisure.
- Since 2019, the Group is the exclusive franchisee of KFC (36 units) and Vapiano (10) in the Baltics and Finland, facilitated by an asset-light, standardized operating model with central procurement.
- Its proven and scalable expansion model targets the opening of 130+ new units over the next five years with Finland as the main growth market, supported by disciplined site selection and the development of a central kitchen and warehouse in Riga to enhance operational efficiency, purchasing scale and rollout speed.
- Apollo Club (customer loyalty program), with over 1 million members, underpins recurring demand and cross-brand engagement, with the top 20% of customers generating approximately 60% of total revenue and loyalty members accounting for 80% of cinema and 55% of restaurant sales.
- Co-located entertainment and dining formats position Apollo as an anchor tenant for shopping centres, strengthening landlord relationships and lease terms.

Financial highlights

- In FY2024/25, the Group generated €227.4m revenue (+6% y/y) and €39.9m EBITDA (+12% y/y), primarily driven by proprietary restaurants, which contributed €92.8m revenue (+15% y/y) and €15.8m EBITDA (+37% y/y). During first 9 months of FY2025/26, revenue grew by 13% to €196.5m, while EBITDA reached €32.4m.
- Following efficiency improvements and economies of scale, the Group's EBITDA margin grew by 0.8pp to 17.6% in FY 2024/25.
- Total investments amounted to €14.0m in FY2024/25, primarily directed towards restaurant expansion and concept development, supporting the Group's continued footprint growth.
- Total assets as of FY2024/25 amounted to €240.6m (-3% y/y), with right-of-use assets related to leased premises accounting for 41% and intangible assets (including goodwill and trademarks) representing 26% of the asset base.
- As Apollo operates a large network of leased premises, the transition to IFRS* led to higher reported assets and EBITDA, as lease agreements are now reflected on the balance sheet and income statement under IFRS 16. Adjusted financial metrics excluding this accounting effect are used for better comparability.
- As of 9M 2025/26, the Group reported ICR of 43.9x, Adjusted Equity ratio of 63% and Leverage of 0.1x, comfortably above covenant thresholds (>4.0x, >25%, <3.5x). Covenants are tested on a pre-IFRS basis.

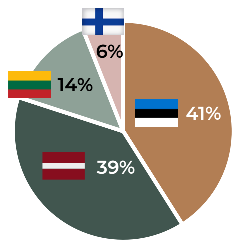
Financial highlights

€ million	2023/24[1] (audited)	2024/25[1] (audited)	9M 2025/26[1] (unaudited)
Revenue	213.2	227.4	196.5
IFRS EBITDA	35.8	39.9	32.4
IFRS EBITDA margin	16.8%	17.6%	16.5%
Pre-IFRS 16 EBITDA[2]	20.6	23.9	22.6 *(LTM)*
Net profit	-3.0	3.8	0.1
Total assets	247.5	240.6	244.7
Total investments	10.2	14.0	15.7
Cash	4.0	3.2	2.7
Adjusted Equity[3]	54.3	86.1	92.0
Lease liabilities[4]	108.7	104.0	100.0
Net Interest Expense	1.9	2.4	0.5 *(LTM)*
Net Debt[5]	32.7	-0.5	2.1
Interest Coverage Ratio[6]	10.7x	9.8x	43.9x
Adjusted Equity Ratio[7]	38.5%	62.1%	62.8%
Leverage Ratio[8]	1.6x	0.0x	0.1x

1 FY: May 1 – April 30. Interim results for 9 months ending on 31 January
2 EBITDA – cash rent expenses for leased premises
3 Total Equity + shareholder loans (including accrued interest)
4 Primarily lease payments related to rented premises recognised under IFRS 16 (not financial debt)
5 Excluding shareholder loans and IFRS 16 lease liabilities
6 Pre-IFRS 16 EBITDA / Net Interest Expenses
7 Adjusted Equity / (Adjusted Equity + Liabilities – IFRS 16 lease liabilities)
8 Net Debt / Pre-IFRS 16 EBITDA

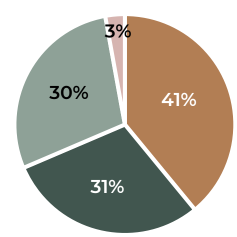
Revenue (%) and unit' (#) breakdown (2024/25)

By country



Estonia (88) Latvia (35) Lithuania (37) Finland (10)

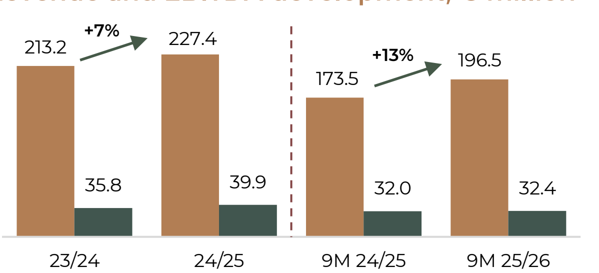
By segment



Proprietary (85) Entertainment (39) Franchise (46) Other*

** Inter eliminations between segments is 5%*

Revenue and EBITDA development, € million



Brands

LIDO APOLLO KINO•CINEMA my sushi CAN CAN PIZZA BLENDER VAPIANO KFC DELANO APOLLO FOOD•SHOP

**The Group transitioned from local GAAP to IFRS in November 2025; historical figures are restated accordingly. All figures are on an IFRS 16 basis unless stated otherwise.*
Financial reports and information provided by the Management. The Group is audited by PWC Estonia.

Apollo Group bond issue

APOLLO GROUP

Term Sheet

Issuer	**Apollo Group OÜ (Estonia)**
Security type	Senior Unsecured
Offer type	**Public offer**
Minimum subscription	€500
Use of proceeds	Financing expansion and efficiency investments and paying back shareholder loans
Issue size	**€50 million** (in case of oversubscription, option to increase to **€70 million**)
Coupon rate and frequency	7.0% p.a., paid quarterly
Maturity date	20.03.2031 (5 years)
Principal repayment	Maturity date, *bullet*
Call Option	▪ 12 months before maturity @100% ▪ In case of an equity offering @104%
Put Option	Change of Control, Listing Failure or De-listing @104%
Nominal value	€500
Listing	Nasdaq Tallin Corporate Bond Main List within 6 month after the Issue Date
Covenants[1]	▪ Interest Coverage Ratio min 4.0x ▪ Adjusted Equity Ratio min 25% ▪ Leverage Ratio max 3.5x
Lead Manager	AS LHV Pank
Sales Agent	Signet Bank AS
Legal Adviser	Ellex Raidla Advokaadibüroo
Trustee	Advokaadibüroo Hedman Partners (Estonia)

[1] *Full list of covenants can be found in the Base Prospectus*

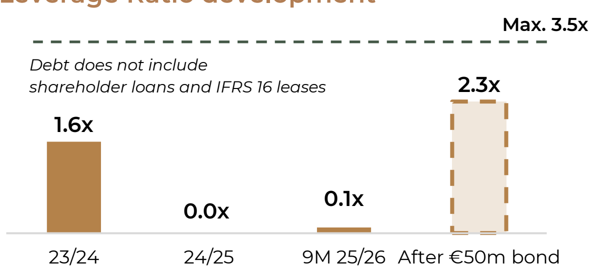
Key investment highlights

1. **Leading Baltic *eatatainment* Group** – 170 locations across four countries, including the no. 1 cinema chain in the Baltics, as well as exclusive franchises (KFC, Vapiano) and strong proprietary brands in prime locations
2. **Resilient, diversified revenue base** – ~70% of revenue from casual food concepts, supported by stable post-pandemic recovery in cinema and bookstore segments
3. **Loyal and recurring customer base** – 1m+ members in an integrated loyalty ecosystem, with the top 20% of customers generating 60% of total revenue
4. **Strong financial profile and covenant protection** – FY 2024/25 revenue of €227m (+7% y/y), EBITDA of €40m (+12%) and 63% Adjusted Equity Ratio (31.01.2026), providing ample covenant headroom

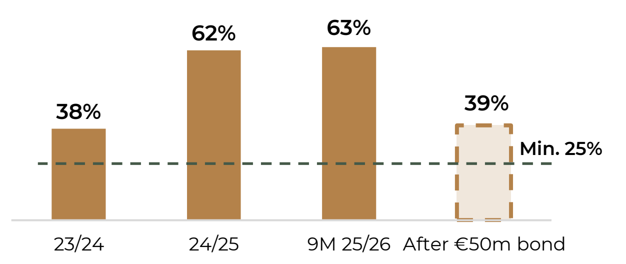
Funding profile and the bond issue

- The Group is launching a €50m senior unsecured bond issue to fund growth and refinance €25m of existing shareholder loans. In case of oversubscription, issue size may be increased to €70m.
- Shareholder loans from MM Grupp OÜ have historically been the Group's main source of financing. As of 30.01.2026, shareholder loans amount to €64.5m (26% of total funding), of which €25m will be refinanced right after the bond issuance and the remainder subordinated to the bonds.
- The bonds will represent the Group's only senior interest-bearing debt, with no senior secured financial indebtedness outstanding.
- As of 30.01.2026, the Adjusted Equity Ratio stood at 63% and is expected to decrease following the transaction, while remaining above the minimum covenant threshold of 25%.
- Following IFRS adoption, lease liabilities represent 41% of total funding, with c. 90% comprising long-term leases for premises maturing between 2027 and 2043. Lease liabilities are excluded from covenant calculations, which are tested on a pre-IFRS basis.

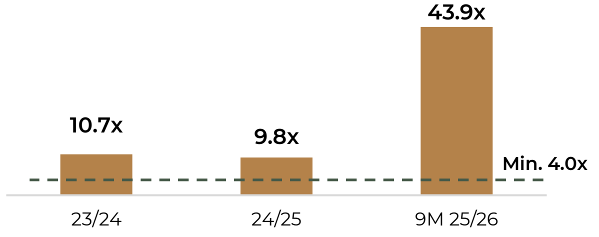
Leverage Ratio development



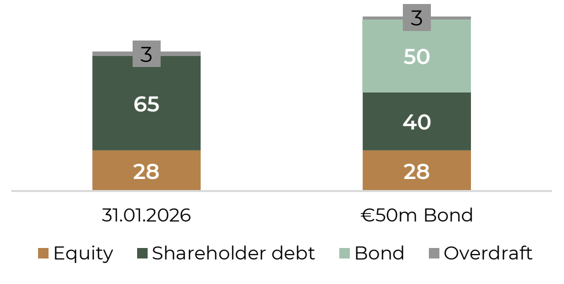
Adjusted Equity Ratio development



Interest Coverage Ratio development



Post-deal capital structure, € million



Source: *Financial reports and information provided by the Management*

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Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence Apollo Group OÜ are: Consumer demand volatility risk, capital investment risk, dependence on the recruitment, retention and performance of workforce risk, dependence on securing and maintaining access to strategically located retail and leisure premises, operational disruption risk, risk relating to forced closures and other limitations in the event of a pandemic, expansion risk, acquisition integration risk, reputational risk, franchise risk, liquidity risk, risks related to adoption of IFRS, data protection risks related to customer loyalty programme, information system failure risk, the Group’s corporate governance might be subject to conflict of interests risk, counterparty risk, competition risk, restaurant regulatory risks, ingredients procurement risks, third-party service risk, dependence on the timely and consistent release of new content risk, entertainment operations’ competition risk, macroeconomics and geopolitical risk, financing risk, dependence on MM Grupp OÜ and cross-exposure, changes in government policy or legislation risk, civil liability risk, changes in tax law and practice risk, risk related to antitrust laws, operational risk.

When investing funds in bonds, investors undertake the following risks related to debt securities: Price risk, liquidity risk, bonds repayment risk, subordination risk, interest rate risk, offering cancellation and de-listing risk, foreign exchange risk, tax regime risk, resolution of Bondholder’s risk, risk of insufficient enforceability of judgments against the Group.

The risks indicated in this section may reduce Apollo Group OÜ 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 Apollo Group OÜ.