IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS PURCHASING THE SECURITIES DESCRIBED IN THE OFFERING MEMORANDUM FOLLOWING THIS NOTICE OUTSIDE OF THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA") OR IN THE UNITED KINGDOM, INVESTORS WHO ARE NOT RETAIL INVESTORS (EACH AS DEFINED BELOW)).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum (the "**Offering Memorandum**"), whether received by e-mail or otherwise received as a result of electronic communication. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access. The Offering Memorandum has been prepared in connection with the proposed issue and sale of the securities described therein. The Offering Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

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

THE FOLLOWING OFFERING MEMORANDUM WILL BE ACCESSIBLE IN ELECTRONIC FORMAT AND YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED THE OFFERING MEMORANDUM IN A FORM THAT MAY NOT BE FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING MEMORANDUM, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THE OFFERING MEMORANDUM CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED, AND WILL NOT BE ABLE, TO PURCHASE ANY OF THE SECURITIES.

Confirmation of your representation: You have been sent the Offering Memorandum on the basis that you have confirmed to Seaport Global Securities (the "**Placement Agent**"), being the sender of the Offering Memorandum, that:

(i) you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located;

(ii) the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States and the District of Columbia (and "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands);

(iii) you consent to delivery of the Offering Memorandum by electronic transmission;

(iv) you are a prospective purchaser of the securities referred to in the Offering Memorandum (the "**Securities**") or you are a person authorized by the Placement Agent to receive the Offering Memorandum; and

(v) you will not transmit the Offering Memorandum (or any copy of it, in whole or in part) or disclose, whether orally or in writing, any of its contents to any other person.

If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Placement Agent, any person who controls the Placement Agent, any of their respective directors, officers, employees or agents or affiliates of any of the foregoing entities or persons, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic form and any version that will be provided to you at a later date on request from the Placement Agent.

Restrictions:

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and, accordingly, you are not authorized to deliver the Offering Memorandum to any other person:

In particular:

(i) Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or to any U.S. person or in any other jurisdiction where it is unlawful to make the offer. Any securities to be issued will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be sold unless such securities are registered under the Securities Act or are offered or sold pursuant to an available exemption from the registration requirement and are subject to U.S. tax law requirements. The securities are being offered and sold outside of the United States only in accordance with Regulation S of the Securities Act.

(ii) No action has so far been taken in any jurisdiction by the Placement Agent or the Issuer that would or is intended to, permit a public offering of the securities, or possession or distribution of the Offering Memorandum or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required.

Offering Memorandum dated March 4, 2025

Multitude Bank plc

(a public limited liability company registered under the laws of Malta, having its registered office at ST Business Centre, 120, The Strand, Gzira GZR 1027, Malta, and having company registration number C 56251)

EUR 25,000,000 Floating Rate Subordinated Callable Tier 2 Notes due 2035

ISIN DE000A4D58U2, WKN A4D58U
Issue Price 99.00 per cent

Multitude Bank plc, a public limited liability company registered under the laws of Malta (the "**Issuer**") will issue (the "**Issue**") on or about 10 March 2025 (the "**Issue Date**") Euro-denominated floating rate subordinated callable Tier 2 notes due 2035 in an aggregate principal amount of EUR 25,000,000 (the "**Notes**") in the denomination of EUR 50,000 per Note (the "**Specified Denomination**").

The Notes, as to form and content, and all rights and obligations of the holders and the Issuer under the terms and conditions (the "**Terms and Conditions**") will be governed by the laws of Germany.

Unless previously redeemed or repurchased and cancelled as described in this Offering Memorandum and/or the Terms and Conditions, the Notes will be redeemed on 10 March 2035 (the "**Maturity Date**") at their Specified Denomination in accordance with the terms and conditions of the Notes.

The Notes will bear interest on their Specified Denomination from and including the Issue Date to, but excluding, the Maturity Date at a rate of the sum of the Reference Rate (as defined herein) plus margin of 11.00 *per annum*. Interest on the Notes will accrue from the Issue Date and will be payable semi-annually in arrear on 30 June and 31 December of each year, commencing on 30 June 2025.

The Issuer may redeem the Notes in whole, but not in part, at their Specified Denomination on each Payment Business Day (as defined below) during the period from and including 10 March 2030 to but excluding the Maturity Date, subject to the approval of the Competent Authority and certain limitations and conditions as described in the Terms and Conditions. The Issuer may further redeem the Notes at any time in whole, but not in part, at their Specified Denomination upon occurrence of certain changes in the applicable tax or regulatory treatment subject to the approval of the Competent Authority and certain limitations and conditions as described in the Terms and Conditions.

The Notes will be issued in bearer form and will be represented by a temporary global note without interest coupons (the "**Global Note**") without interest coupons. The Global Note will be deposited prior to the issue date with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.

This offering memorandum (the "**Offering Memorandum**") does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**"). No "competent authority" (as defined in the Prospectus Regulation) has approved this Offering Memorandum or reviewed information contained in this Offering Memorandum in connection with the issue of any Notes.

Application will be made to list the Notes on the Open Market segment (*Freiverkehr*) of the Frankfurt Stock Exchange, which is a multilateral trading facility for purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (*Markets in Financial Instruments Directive II* – "**MiFID II**"), and therefore, not an EU-regulated market.

This Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Notes are subject to U.S. tax law requirements.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section "*Risk Factors*" beginning on page 8 of this Offering Memorandum.

Placement Agent and Bookrunner

Seaport

RESPONSIBILITY STATEMENT

The Issuer, with registered office at ST Business Centre, 120, The Strand, Gzira GZR 1027, Malta, accepts responsibility for the information contained in this Offering Memorandum and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Offering Memorandum contains all information with respect to the Issuer and the Notes which is material in the context of the Issue, including all information which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attached to the Notes; (ii) the statements contained in this Offering Memorandum relating to the Issuer and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer and the Notes the omission of which would, in the context of the Issue, make any statement in this Offering Memorandum misleading in any material respect; (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements; and (v) the statements of opinion, intention, belief or expectation expressed in the Offering Memorandum are honestly and reasonably held.

IMPORTANT NOTICE

No person is authorized to give any information or to make any representation other than those contained in this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer or the Placement Agent (as defined in the section "*Subscription and Sale of the Notes*").

This Offering Memorandum should be read and understood in conjunction with any supplement hereto and any documents incorporated by reference herein or therein.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Offering Memorandum does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Placement Agent to purchase any Notes. Neither this Offering Memorandum nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Placement Agent to a recipient hereof and thereof that such recipient should purchase any Notes.

This Offering Memorandum reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Offering Memorandum and any other information supplied in connection with the Issue may not be taken as an implication that the information contained herein or therein is accurate and complete subsequent to the date hereof or thereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither the Placement Agent nor any of its respective affiliates nor any other person mentioned in this Offering Memorandum, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Offering Memorandum or any document incorporated by reference herein, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Placement Agent has not independently verified any such information and accept no responsibility for the accuracy thereof.

This Offering Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Offering Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required to inform themselves about and to observe any such restrictions. No representation is being made by the Placement Agent that the Offering Memorandum may be lawfully distributed or that the Notes may be lawfully sold in any jurisdiction. For a description of the restrictions applicable in the United States of America ("**United States**" or "**U.S.**") and the United

Kingdom of Great Britain and Northern Ireland ("**United Kingdom**" or "**UK**"), see "*Subscription and Sale of the Notes – Selling Restrictions*".

For the avoidance of doubt, the content of any website referred to in this Offering Memorandum does not form part of this Offering Memorandum (except for the information expressly incorporated by reference herein).

The language of this Offering Memorandum is English.

In this Offering Memorandum all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY

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

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR, and all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any Distributor should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**")

for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR

The Rate of Interest payable under the Notes is calculated by reference to a Reference Rate. Subject to the provision in the Terms and Conditions, the Reference Rate will be the three month EURIBOR, which appears on the Reuters Screen Page EURIBOR01 with a reference to fixings at 11:00 AM Frankfurt time (as such heading may appear from time to time) at or around 11.00 AM (Frankfurt time) on the relevant Interest Determination Date, and which is provided by the European Money Market Institute ("**EMMI**"). As of the date of this Offering Memorandum, EMMI appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the BMR.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains certain "*forward-looking statements*". All statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, those regarding the Issuer's financial positions, business strategies, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms *"aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "project", "probability", "target", "goal", "objective", "should" or "will"*. The absence of these words does not necessarily mean that a statement is not forward-looking. Their negative, or other variations or comparable terminology can indicate a forward-looking terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer operate in the future. In addition, even if their financial condition, results of operations and cash flows, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this Offering Memorandum speak only as of the date on which they are made. The Issuer and the Placement Agent expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures presented in this Offering Memorandum and in the documents incorporated by reference are not recognized financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**") ("**Alternative Performance Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Issuer's management believes that this information, when considered in conjunction with measures reported under IFRS, is useful to investors because it provides a basis for measuring the organic operating performance in the periods presented and enhances investors' overall understanding of the Issuer's financial performance. In addition, these measures are used in internal management of the Issuer, along with financial measures reported under IFRS, in measuring the Issuer's performance and comparing it to the performance of its competitors. In addition, because the Issuer has historically reported certain Alternative Performance Measures to investors, the Issuer's management believes that the inclusion of Alternative Performance Measures in this Offering Memorandum provides consistency in the Issuer's financial reporting and thus improves investors' ability to assess the Issuer's trends and performance over multiple periods. Alternative Performance Measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS.

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RISK FACTORS

*Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Offering Memorandum. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations or general affairs of the Issuer. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (the "**Noteholders**" and each a "**Noteholder**") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other unknown reasons than those described below. Additional risks of which the Issuer is not presently aware could also affect the business operations of the Issuer and have a material adverse effect on the Issuer's business activities, financial condition and results of operations.

Prospective investors should read this section and the detailed information set out elsewhere in this Offering Memorandum (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. In addition, prospective investors should bear in mind that several of the mentioned risks may occur simultaneously and that their implications can, possibly together with other circumstances, thus be intensified.

Words and expressions defined in the Terms and Conditions shall have the same meanings in this section. Potential investors should, among other things, consider the following:

Risks relating to the Issuer

Risks relating to the Issuer´s Operations and Industry

Negative public perception and press coverage of short-term unsecured consumer loans

Due to its engagement in the market for small consumer loans, the Issuer is exposed to the risk of unfavourable media coverage or measures taken by consumer protection bodies. As a result, the Issuer's operations and products may become subject of an advanced public scrutiny and tightening of regulatory and transparency requirements. In addition, the Issuer may experience a decrease in demand for its products if consumers accept the characterisation of such products as unreasonably expensive or abusive towards customers. Furthermore, media coverage and public statements that allege some form of corporate wrongdoing may make it more difficult for the Issuer to attract and retain qualified employees and management. A negative perception of the Issuer itself or the entire industry may damage the Issuer's reputation and thus could have a material adverse effect on the Issuer's business prospects, financial condition and results of operations.

Macroeconomic effects, uncertain global geopolitical situation as well as economic and financial market conditions could adversely affect the Issuer's business, results of operations, financial condition, liquidity and capital resources

Because the Issuer's business is dependent on consumer spending trends in the countries it actively operates in, being Finland, Sweden, Latvia, Czech Republic, Bulgaria, Croatia, Romania, Germany, Poland, Slovenia, Estonia, Norway and Denmark, any period of economic slowdown or recession in countries where customers come from could make it more difficult for the Issuer to retain or expand its customer base. For example, high levels of unemployment in the markets in which the Issuer operates will likely

reduce the number of customers who qualify for the Issuer's consumer loan products, which in turn may reduce its revenues. Similarly, reduced consumer confidence and spending may decrease the demand for its products. In addition, during periods of economic slowdown or recession, the Issuer could experience an increase in defaults, credit extension requests as well as a higher frequency and severity of credit losses even if the Issuer adjusts its credit scoring models to adjust to such new economic conditions. As a result, adverse changes in economic conditions in countries in which the Issuer's customers are located could materially adversely affect the business prospects, results of operations and financial condition of the Issuer.

Furthermore, the global economic and financial market conditions have repeatedly undergone significant turmoil due to, among other factors, the ongoing sovereign debt issues in certain European countries, particularly certain Eurozone member states, the decision of the United Kingdom to withdraw from the European Union (commonly referred to as Brexit), the continuous tensions between the United States and China regarding, for example, geopolitics and trade and the current inflation pressure. In addition, the outbreak of the COVID-19 pandemic caused, and continues to cause at some degree, substantial uncertainty in the financial markets. Furthermore, the ongoing military action in Ukraine and the increasing tensions between Russia, the members of the North Atlantic Treaty Organisation and the Western countries may cause disruptions to the global economy, financial markets, and the Issuer's business environment, particularly, if even stricter sanctions and/or trade restrictions are imposed by the Western countries and/or Russia, or, if the conflict escalates or expands to other countries or regions, hence the Issuer's financial position may also be adversely affected by the direct or indirect consequences of the ongoing military action. The uncertainty relating to the financial markets and global economy may create economic and financial disruptions and even a financial crisis. As the state debt levels remain high and continue to increase in some countries it may be possible that the global economy will fall back into a recession, which could be deeper and last longer than the one experienced in 2008 and 2009. This could increase uncertainty in the operational environment of the Issuer, especially with regards to the predictability of funding available in the capital markets and the future development of impairment of unsecured consumer loans.

Evaluation of the creditworthiness of customers and pricing of the consumer loan products

Whilst also granting high ticket-size secured loans to corporates, the majority of the Issuer's lending portfolio relate to small ticket-size unsecured retail consumer loans. The Issuer is thus exposed to the creditworthiness of its customers. The Issuer's retail customers are generally customers with unplanned financial needs occurring due to unexpected life events. The Issuer prices its consumer loan products taking into account the estimated risk level of its customers. If its estimates are incorrect, customer default rates could be higher, which would result in an increase in the Issuer's operating expenses relating to loan impairments, and in turn the Issuer could experience reduced levels of net income.

The Issuer operates according to its established credit risk policies, uses computer-aided loan approval algorithms and follows a set of self-imposed ethical and responsible lending principles which were put in place by the Issuer and are regularly reviewed. The Issuer performs due diligence of its customers based on information provided by individual customers, reviews provided by external consumer credit scoring agencies and various other available information on the consumer. In addition, the Issuer uses its own software-based scoring procedure to rate the creditworthiness of new and existing customers. The software-based scoring procedure combines the Issuer's historical data from all markets it operates in with current information regarding the specific market and the customer. The Issuer's credit policies and software-based scoring procedure are refined and updated on an on-going basis. There is a risk that the aforementioned actions may prove insufficient and that the Issuer incurs higher credit losses than expected. This may be caused by an internal failure of the Issuer's risk management procedures or an external change of conditions beyond the Issuer's control. The customers' creditworthiness and ultimately their obligation

to repay any outstanding debt to the Issuer may deteriorate due to changes in his or her personal circumstances or other factors not known at the time of the application, where unemployment poses one of the most severe risks. Credit loss risks may further increase if the Issuer's consumer loan portfolio is not adequately diversified (country and social status diversification). In such a situation, a deterioration of economic conditions or an economic slowdown may additionally exacerbate the associated credit risk. An increase in the ratio of impairments on losses to revenues could significantly adversely affect the Issuer's financial, economic and liquidity condition.

Risk provisions and credit losses

The Issuer needs to maintain risk provisions for anticipated credit losses. Since the provisions necessary to cover credit losses can only be estimated, there is a risk that actual credit losses are materially greater than the provisions accounted for to cover such losses. This could have a material adverse effect on the Issuer's business prospects, financial condition, and results of operations.

Furthermore, the Issuer is exposed to the fraud risk associated with information provided by its (potential) customers. The most common fraud risk is identity theft. There is a risk that the Issuer could suffer credit losses due to the criminal behaviour of its customers. This could have a material adverse effect on the Issuer's business prospects, financial condition and results of operations.

Liquidity needs

In addition to risks relating to cash flow efficiency (as further elaborated under the risk factor "*Insufficient cash inflows risks*" below), the Issuer's growth depends also on efficient cash collection. Considering the Issuer's business model, the Issuer is exposed to liquidity risk. There is a risk that the Issuer will not be able to satisfy its liquidity needs in the future or will need to satisfy its liquidity needs with a significant cost increase. Lack of liquidity may occur in numerous scenarios. The Issuer, for instance, may experience a lack of liquidity due to an unexpected increase in rates of delinquencies or defaults on provided consumer loans or if the cost of accessing capital in the capital markets increase. If the Issuer is unable to meet such cash requirements, its growth in new markets may be adversely affected. Any such issue may result in a material adverse effect on the Issuer's business prospects, financial condition and results of operations.

Competition in the short-term lending industry

The Issuer faces competition in all the countries in which it operates. There is a wide range of companies targeting the market for small consumer loans, including various smaller locally operating consumer loan companies as well as larger companies operating in several markets and traditional consumer banks. The Issuer's key consumer loan segments relate to its Credit Limit product (loans in the range of EUR 300 - EUR 5,000). The Bank also grants secured corporate loans, generally ranging up to €30m. Most of the Issuer's competitors do not restrict the size of loans available through their companies and thus the Issuer is competing with a variety of local and international companies.

The highest risk of competition is experienced particularly in mature markets with high saturation, such as Western and Northern Europe. In the past, intensive competition has pushed prices downward in some markets, which, if competition further intensifies, could erode profit margins and the Issuer's net income. The Issuer believes that the consumer loan market may become even more competitive as the industry consolidates. Some of the Issuer's competitors may have larger and more established customer base and substantially greater financial, marketing and other resources than the Issuer has. As a result, the Issuer could lose market share and its revenues could decline, thereby affecting the Issuer's ability to generate sufficient cash flow to fund expansion of its operations and to service its indebtedness. This could have a material adverse effect on the Issuer's business prospects, financial condition and results of operations.

Demand for the Issuer's products and failure to develop innovative and attractive products

The demand for a particular product the Issuer offers may be reduced due to a variety of factors, such as regulatory restrictions that decrease customer access to particular products, the availability of competing products, changes in customers' preferences or financial conditions. Furthermore, any changes in economic factors that adversely affect consumer purchase behaviour and employment could reduce the demand for the volume or type of loan products the Issuer provides and have an adverse effect on the Issuer's revenues and result of operations. Should the Issuer fail to adapt to significant changes in consumers' demand for, or access to, the Issuer's products, the Issuer's revenues could decrease significantly and operations could be harmed. Each modification, new products and alternative method of conducting business is subject to risk and uncertainty and requires significant investment in time and capital, including additional marketing expenses, legal costs and other incremental start-up costs. Even if the Issuer does make changes to existing products or introduce new products to meet customer demand, customers may resist or may reject such products.

Part of the Issuer's revenues stems from new customers as well as from the introduction of new products. If the Issuer is not able to further diversify and expand its product portfolio, expand its customer base or reach enough deposits volume from customers both through online deposit platforms and the Issuer's own internal platform, this could have an adverse effect on the Issuer's business, financial condition, and results of operations.

There is a risk that the Issuer may not be successful in continuing to meet its customers' needs through innovation or in developing new products and/or technologies, or that, if developed, any such new products will not be accepted by the Issuer's customers. The Issuer may not be able to recover investments that it has made in order to develop these new products or processes, and may not have sufficient resources to keep pace with technological developments. The failure of the Issuer to keep pace with the evolving technological innovations in its markets and adequately predict customer preferences could have a material adverse effect on the Issuer's business, product portfolio, financial condition, and results of operations.

Disruptions in information systems or external telecommunication infrastructure worldwide

IT systems are an essential component of the Issuer's business due to the diverse use of automated processes and controls and the Issuer's operations rely heavily on the secure processing, storage and transmission of customer information and other confidential information in its IT systems and networks. The Issuer utilises a proprietary in-house loan handling system, which provides control and automation of day-to-day business. However, due to the open nature of the internet and the increasing sophistication of online criminality, all web-based services are inherently subject to risks such as online theft through fraudulent transactions and inappropriate use of access codes, user IDs, usernames, PINs, and passwords. In addition, the Issuer's IT systems, software and networks could be vulnerable to breaches, unauthorised access, misuse, computer viruses or other malicious code that could result in disruption to its business or the loss or theft of confidential information. There is a risk that any failure, interruption or breach in the Issuer's IT security, IT systems and software, including any failure of its back-up systems or failure to maintain adequate security surrounding customer information, results in reputational harm, disruption in the management of the Issuer's customer relationships, the inability to originate loans, process and service loans or customers not being able to access relevant online services provided to them. If any IT security or IT operational risks would materialise, it could result in a loss of customer business, loss of income and damaged reputation. The Issuer could further be subject to additional regulatory scrutiny or be exposed to lawsuits by customers for identity theft or other losses. Damage to the Issuer's IT systems and software or failure to protect its data against a cyber-attack or other similar breaches as described above could have a material adverse effect on the Issuer's business, financial condition, and reputation.

The Issuer relies on telecommunications, the internet, as well as mobile and online banking services worldwide in order to conduct its operations and offer its services to customers. To access the Issuer's online consumer loan portals, the Issuer's customers need to have an internet access or a mobile data connection. Disruption of such or similar telecommunications and internet services in the respective countries of operation due to equipment or infrastructure failures, strikes, piracy, terrorism, weather-related problems, or other events, could temporarily impair the Issuer's ability to supply its product portfolio to its customers, which in turn could have a material adverse effect on the Issuer's business, financial condition, and results of operations.

The Issuer's ability to manage its growth effectively

The Issuer's expansion strategy contemplates the fast growth in mobile consumer loan volumes in current markets and the establishment of operations in new markets such as Slovenia which the Issuer entered in 2022. The Issuer's continued growth in this manner is dependent upon a number of factors, including the ability to develop efficient internal monitoring and control systems, the ability to implement high-quality business and management processes and standards, the ability to develop and implement "best practices" in response to day-to-day business challenges, the ability to correctly assess legal requirements in targeted markets and monitor on-going changes in existing markets, the ability to obtain any government permits and licences that may be required, the ability to develop adequate and secured IT-platforms, the ability to successfully integrate any operations which may be acquired in the future, the ability to identify and overcome cultural and linguistic differences which may impact market practices within a given geographic region, and other factors, some of which are beyond the Issuer's control. Therefore, there is a risk that the Issuer will not be able to effectively manage the expansion of its operations or that the Issuer's current personnel, systems, procedures, and controls will not be adequate to support the Issuer's operations. Any failure of management to effectively manage the Issuer's growth and development could have a material adverse effect on the Issuer's business, financial condition, and results of operations.

Dependency on the Issuer's key management

The Issuer is dependent on the expert knowledge of its key management members in IT, legal, operational, financial as well as risk and analysis positions for the implementation of its strategy and the operation of its activities. The future success of the Issuer therefore depends, amongst other things, on the Issuer's ability to retain and motivate its key personnel. The Issuer also depends on the ability to recruit, retain and develop other qualified senior executives and key employees with the necessary skills and extensive industry experience to the Issuer. If a number of key managers or other critical employees were to leave the Issuer or join a competitor and the Issuer is unable to attract and retain suitable replacements, the Issuer may be unable to pursue its business operations as planned and this could have a material adverse effect on the Issuer's business and future prospects which could further have a material effect on the financial condition and result of operations of the Issuer.

Risks relating to Legal and Regulatory Matters

Local legal and regulatory requirements and European law

The Issuer's operations are subject to legislation, extensive regulations, codes of conduct and general recommendation in the jurisdictions in which it operates in relation to the services and products it markets and sells. Present and potential future applicable laws and regulations may restrict the way the Issuer may conduct its business and may reduce its profitability. Legal requirements in respect of, for instance, interest rate, fee, total cost or annual percentage rate of charge caps may limit the Issuer's pricing of its products which would have a negative impact on the Issuer's earnings and result of operations. EU regulations in respect of e.g. capital requirements may also restrict the Issuer's possibility to conduct its business should

the Issuer not have sufficient access to equity capital in order to fulfil applicable laws. This may have a negative impact on the Issuer's business, financial condition and result of operations.

Changes to local or EU legislation may require the Issuer to adapt operations to ensure compliance with such changes. Failure to timely implement procedures that comply with new rules will have a material adverse effect on the Issuer's business, financial condition, and results of operations. There is a risk that local or EU courts, regulatory agencies, central banks and financial supervisory authorities, issue new regulations or interpretations or find the Issuer's services to be in violation of local or EU-wide legal requirements such as license requirements, maximum interest rate provisions, transparency requirements or other regulatory requirements.

The European Commission's crisis management and deposit insurance ("**CMDI**") package proposing amendments relating to banks' crisis management also amends the framework relating to depositor compensation by proposing amendments to Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast), which is transposed locally through the Depositor Compensation Scheme Regulations (Subsidiary Legislation 371.09 of the Laws of Malta). The Commission's proposal incorporates a number of changes, including amendments relating to the manner in and priority with which a failed bank's creditors and depositors are repaid their assets in case the bank is insolvent and subsequently wound up.

In the past, the Issuer has had to allocate resources in order to adapt its business model and product offerings in several countries as a result of regulatory changes. There is a risk that future regulatory changes may be too burdensome to comply with or that the measures that the Issuer takes to ensure compliance with new laws and regulations are not adequate. In addition, the Issuer could misunderstand or misapply new or amended laws, especially due to the increasing quantity and complexity of the legislation, which could lead to adverse consequences for the Issuer as well as monetary fines and other penalties or could result in its business model in a particular jurisdiction becoming unprofitable. Additionally, such developments could have a material adverse impact on the reputation and the financial and market position of the Issuer.

EU Payment Services Directive and Consumer Credit Directive and national laws implementing the Directive

The EU Payment Services Directive (Directive (EU) 2015/2366 on payment services in the internal market (known as PSD II)) entered into force in January 2016 and this was transposed into local legislation on 13 January 2018 by means of CBM Directive no 1 (repealing the previous CBM Directive no. 1). PSD II seeks to enhance consumer protection when effecting online payments, whilst at the same time promoting the use of innovative online and mobile payment solutions.

On 28 June 2023, a proposal for a new Payment Services and Electronic Money Services Directive (PSD III) and a proposal for a new Payment Services Regulation (PSR) were published, revising PSD II (the proposed PSD III and the proposed PSD are referred to as the Payment Services Package). The proposed Payment Services Package is targeted at updating and modernising legislation on payment services, addressing the safe and secure access to electronic payment transactions by consumers within the EU, whilst also aiming to provide a greater choice of payment service providers on the market. The Commission inter alia proposes to amend the rules on strong customer authentication to strengthen this feature and ensure it is widely accessible, increase transparency regarding certain payments, in particular ATM withdrawal charges and charges for payments to institutions established outside of the EU, and changes to consumer refund rights in the event of fraud and scams. The Payment Services Package remains at proposal stage as at the date of this Offering Memorandum.

The EU Consumer Credit Directive (2008/48/EC) was adopted in April 2008 and entered into force in May 2008. The Member States were obliged to harmonise their legislation by May 12, 2010. To serve the purposes of consumer protection and credit transparency, the EU Consumer Credit Directive mandates disclosure of a standardized annual percentage rate ("**APR**") figure for all consumer credit products. In some countries where the Issuer operates the resulting APRs may appear to be higher than standard market APRs offered by other banks which may lead to legal and regulatory questions. In addition, regulatory authorities have in recent times increased their inquiries as to compliance with European and local consumer protection laws, which, further increases the burden on the Issuer's compliance, legal and business departments managing communication with authorities.

A new Directive (Directive (EU) 2023/2225) on consumer credits repealing the EU Consumer Credit Directive (the "**EU Consumer Credit Directive 2**") was adopted on 18 October 2023. Member States shall adopt the provisions of the EU Consumer Credit Directive 2 by 20 November 2025 and apply them as from 20 November 2026. A new Rulebook for Credit Institutions Offering Retail Products and Services (Conduct of Business Rulebook) is expected to be published by the Malta Financial Services Authority in the near future.

There is a risk that amendments to laws as well as new enactments may negatively impact the Issuer's financial position and may require changes to the Issuer's business model. It is additionally possible that consumers, consumer protection organisations, courts, regulatory agencies/authorities, financial or consumer ombudsman, challenge the Issuer's compliance with existing, amended, or new consumer protection laws or initiate related investigative or judicial proceedings. Adverse judgments based on such findings could result in legal claims and reputational damage against the Issuer.

Sanctions and other penalties from local authorities

The Issuer operates in a business that is heavily regulated. Given the extensive regulatory requirements in respect of the Issuer, there is a risk that the Issuer will be in breach of such regulatory requirements which may lead to various sanctions and other penalties being imposed. The Issuer has previously been subject to audits where the authorities have found the business not to be compliant with applicable laws, which resulted in sanctions being imposed. For instance, the Maltese Financial Intelligence Analysis Unit ("**FIAU**") imposed an administrative penalty amounting to EUR 653,637 in 2022. The administrative penalty is currently under investigation after the Issuer submitted an appeal against the decision in front of the Court of Appeal. The Issuer has additionally submitted a constitutional application in which it, *inter alia*, challenges the legality of the decision taken by the FIAU in front of the Maltese Constitutional Court. There is a risk that the Issuer may be in breach of applicable laws in the future. Should such risks materialise, it could have a material adverse effect on the Issuer's business, financial conditions and results of operations.

Various jurisdictions, in which the Issuer operates have introduced caps on interest, fees, total costs or APRs, or have reviewed creditworthiness and affordability rules, which have, in a number of cases, impacted the services and products that the Issuer offers. The Issuer continues to strive to remain fully compliant with all applicable requirements in the jurisdictions in which it operates, though it also notes that in some cases there may be different interpretations on a number of legal provisions pertaining to the method of calculation of interest rate or other caps, or with regard to creditworthiness and affordability rules, as well as lack of clear guidance by the relevant authorities on the manner in which such requirements are to be applied. There is therefore a material risk that in some instances authorities or other entities responsible for supervision or enforcement may arrive to a different interpretation on such provisions, leading to the issuance of penalties or sanctions on the Issuer. The legislation in some countries contemplates that such penalties are not only imposed on the legal entity concerned but also on the management of that entity. The imposition of such penalties or sanctions could have an adverse effect on the Issuer's reputation, which

could in some instances be material in its impact.

Dependence on the Issuer's banking licence

The Issuer operates pursuant to the EU credit institution licence it obtained in September 2012 by the Malta Financial Services Authority (the "**MFSA**"), by offering its products and services in Estonia, Latvia, Germany, Bulgaria, the Czech Republic, Norway, Romania, Sweden, Finland, Denmark, Slovenia, Poland and Croatia. This EU banking licence is required or may be required to conduct business in a number of existing and potential future markets. The banking licence also provides the Issuer with the benefits of increased levels of trustworthiness vis-à-vis its customers, access to pertinent databases to further enhance scoring models, and funding options linked to accepting deposits to support profit growth. However, under Maltese law, the credit institution licence may be withdrawn or restricted by the MFSA for a variety of reasons including, but not limited to, the Issuer's non- compliance with existing or new regulatory requirements or its licence conditions. Such a withdrawal or revocation of the credit institution licence could require the Issuer to comply with new regulatory requirements of the MFSA and FIAU or obtain a banking licence from the relevant regulatory authority of another EU Member State, which would require the Issuer to allocate financial and human resources, in addition to causing a standstill in the ongoing operations of the Issuer.

The MFSA will have to be informed in the following cases:

(i) a new or existing shareholder acquires a direct or indirect shareholding of at least 5% but less than 10% of the share capital or of the voting rights in the Issuer; or

(ii) an existing shareholder increases, directly or indirectly, the shareholding so that the proportion of the voting rights or of the capital held would amount to at least 5% but less than 10%;

(iii) an existing shareholder disposes, directly or indirectly, of a shareholding of 10% or more; or

(iv) an existing shareholder reduces, directly or indirectly, a shareholding of more than 10% to a level below 10%.

provided that in the event that the shareholding in clause (i) and (ii) above is deemed to result in a significant influence over the management of the Issuer, approval by the Competent Authority would be required.

Other notification obligations apply to reductions of shareholdings which fall below certain thresholds set out in the applicable law.

A new or existing shareholder who takes a decision to:

(i) acquire a direct or indirect shareholding level of 10% or more;

(ii) increase, directly or indirectly, an existing shareholding to a level of 10% or more; or

(iii) further increase, directly or indirectly, an existing shareholding of 10% or more as a result of which the proportion of the voting rights or of the capital held would reach or exceed 20%, 30% or 50% or so that the Issuer would become its subsidiary,

in each case will have to be approved by the MFSA so that the shareholder and Issuer remain in compliance with Maltese laws and regulations.

These factors could impair the Issuer's entry into new European markets and/or result in operational delays that could have a material adverse effect on the Issuer's business, financial condition, and results of operations.

Data protection and privacy laws

Since a great portion of the Issuer's customers and counterparties are natural persons, the Issuer processes large amounts of personal data for commercial purposes, for example in determining a potential applicant's credit profile. The Issuer's ability to collect and use personal data is however affected, and to some extent restricted, by the provisions set out in General Data Protection Regulation (EU) 2016/679 ("**GDPR**") and other personal data protection related legislative acts applicable to the Issuer (altogether "**Data Protection Laws**"). The Issuer has historically allocated substantial resources for compliance with the requirements under the applicable Data Protection Laws, by way of establishing and implementing systems for personal data processing and actions needed to ensure compliance with the Data Protection Laws. Failure to comply with Data Protection Laws could result in fines, for instance breaches of GDPR could potentially amount to a maximum of EUR 20,000,000 or 4 per cent of the Issuer's total worldwide annual turnover of the preceding financial year (whichever is higher). Failure to comply with the requirements pursuant to Data Protection Laws could also result in private claims from the relevant registered individual. A failure by the Issuer to comply with the Data Protection Laws requirements may thus have a material adverse effect on the Issuers business and results of operation, as well as result in reputational damage, especially due to the magnitude of the Issuers processing of personal data. In addition, there is a risk that relevant competent authorities gain increased supervisory powers and that more comprehensive administrative measures may be taken in the future, which in turn could materially adversely affect the Issuer's business.

Money laundering and terrorist financing

The potential risks that a financial business operators' businesses are used for money laundering or terrorist financing purposes have attracted significant attention and media coverage over the past decade. The applicable legal framework has become stricter and several supervisory authorities have devoted significant resources towards investigation of financial entities' compliance and work with anti-money laundering ("**AML**") and counter-terrorist financing ("CTF") regulations. The area for compliance with AML and CTF regulations received particular attention in 2018 and 2019 due to a number of high-profile cases in Malta. The Issuer is subject to Maltese AML and CTF regulation including Implementing Procedures issued by the Malta Financial Intelligence Analysis Unit. The Issuer is obliged to implement comprehensive internal measures for customer due diligence, monitoring of customers and transactions as well as reporting of suspicious transactions. The requirements are detailed and the Issuer allocates substantial resources in order to comply with the external requirements as well as to maintain internal routines and guidelines for managing day- to-day operations. There is a risk that the Issuer's procedures, internal control measures and guidelines to comply with AML and CTF requirements are insufficient or inadequate. In December 2023, provisional agreement was reached on a proposal for a new authority to counter money laundering and funding of terrorism while on the 14 February 2024, the text of a new AML/CTF package was approved consisting of a new anti-money laundering regulation and an anti-money laundering directive (AMLD VI). There is a risk that new or increased requirements will affect or restrict the Issuer's operations or require the Issuer to further adapt its existing practices and procedures and allocate additional resources to manage compliance.

Due to the increased monitoring activities of the competent authorities, the compliance risk in relation to AML and CTF risk has been significantly enhanced, and breaches of applicable regulations could result in measures including comprehensive investigations, remarks or warnings and/or significant administrative fines imposed by the Financial Intelligence Analysis Unit or other relevant competent authorities, as the case may be. This could in turn result in substantial and potentially irreparable damage to the reputation

of the Issuer, which would have a material adverse effect on the Issuer's business, results of operations and financial position.

European Central Bank's Single Supervisory Mechanism

The European Central Bank has implemented the Single Supervisory Mechanism. The Issuer is currently categorised as a less significant institution. However, the Issuer may in the future be deemed to be a significant institution and, hence, be subject to a higher degree of regulatory requirements. Furthermore, there is a risk that institutions categorised as less significant institutions in the future will be subject to a higher degree of oversight and compliance related provisions. If any of these risks materialise, it could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Risks relating to the Issuer´s Financial Condition

Currency risk

The Issuer operates internationally and is therefore subject to unexpected changes in foreign currency exchange rates among various currencies. Foreign exchange risk arises in connection with current and future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. The Issuer's accounts are consolidated in EUR, the Issuer is exposed to currency risk with respect to adverse fluctuations in the exchange rates between EUR and relevant foreign currencies, especially the Swedish, Polish, Norwegian and Czech currencies. Therefore, the Issuer, having a multi-national business model, is exposed to currency risk, i.e. there is a risk that exchange rate fluctuations could have a significant negative effect on the Issuer's earnings or financial position.

Refinancing and liquidity risks

The Issuer is, among other things, financed with external debt including debt incurred through bond issues. As per 30 September 2024, the Issuer's interest-bearing debt, excluding customer deposits, amounted to approximately EUR 28,505,000 of which EUR 18,599,000 were obtained to enable the Bank to meet the targets for Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**") as set by the Single Resolution Board. Out of the EUR 28,505,000 interest bearing debt, EUR 732,000 falls due within 12 months from the period ending 30 September 2024. There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Notes, or seek additional financing in order to be able to continue the operations of the Issuer. The Issuer's ability to successfully refinance the Notes and any other external financing arrangement of the Issuer depends on a variety of factors, among other things, market conditions, the general availability of credit to the financial services industry as well as the Issuer's credit capacity at such time. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, or obtain additional capital when needed, the Issuer may be required to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding necessary to cover the Issuer's business needs becomes available under affordable terms. Such measures could include deferring capital expenditures, including acquisitions, and reducing or eliminating use of cash for financing of further growth of the Issuer's business. Therefore, a limited availability of funds on the market combined with rising lending costs, especially when larger refinancing is required, may adversely affect the Issuer's growth in existing and new markets. If the Issuer could not refinance itself for a prolonged period of time or if the Issuer, due to adverse business developments, were to breach financial covenants in its financing instruments, the Issuer may be unable to service its debt with the liquidity provided from operating cash flows. This could have a material adverse effect on the Issuer's business, financial condition, and results of operations and on the Noteholders' recovery under the Notes.

As at the date hereof, the Issuer is, and may in the future, through its future financing arrangements, including the Notes, be required to fulfil certain financial covenants. There is a risk that the Issuer in the future could breach such covenants and that the Issuer lacks access to financing sources on acceptable terms, or at all, at the time of such breach. This could in turn cause lack of liquidity where needed in the Issuer's operations, as well as impair the Issuer's growth agenda. Further, certain existing financial arrangements of the Issuer contain certain undertakings which, if breached and not waived, could result in such existing financing being accelerated and becoming due and payable, which could in turn result in acceleration of other existing financing of the Issuer containing cross-default clauses. An obligation to prepay any existing financing could have an adverse effect on the Issuer's business, financial position and results.

Furthermore, disruptions, uncertainty or volatility in the capital and credit markets may also limit the Issuer's access to capital required to operate its business. Such market conditions may limit the Issuer's ability to repay, in a timely manner, maturing liabilities, to generate fee income and market- related revenue to meet liquidity needs and to access the capital necessary to grow its business. As such, the Issuer may be forced to postpone planned expansions, investments or bear an unattractive cost of capital, which could decrease the Issuer's profitability and significantly reduce its financial flexibility. If any of the above-described risks were to materialise it could have a material adverse effect on the Issuer's operations and financial position, which could subsequently affect the Issuer's ability to meet its obligations under the Notes.

Insufficient cash inflows risks

The Issuer's growth depends on cash flow from its customer deposits, being the main source of liquidity for the Issuer. As of 30 September 2024, deposits from the public amounted to approximately EUR773,385,000. Approximately 88% of the total deposits from the public were deposited on accounts with a fixed term meaning *inter alia* that a charge is levied upon withdrawals and that the deposits have been tied to current interest rate levels for a certain time period (minimum 3 months and maximum 36 months).

The Issuer's offering of deposit products is to a large extent influenced by monetary policy implemented by European central banks. At prolonged periods of low repo rents, the Issuer may not be able to offer all savings account customers an interest rate that exceeds the inflation rate. As such, the Issuer's deposit products may appear as a less attractive investment option for consumers seeking higher returns than the Issuer's deposit products can deliver. This could in turn lead to that customers turn to other investment or savings opportunities with more favourable returns leading to loss of customers and thereby liquidity.

Except for the fixed rate savings accounts (for which a withdrawal charge is levied, as described above), no limits are applied on customers' withdrawals of deposited money. As such, the Issuer may be at risk of ending up in a liquidity crisis in case of a general "bank run", where the customer creditors with short notice withdraw their deposits. Such "bank run" could be due to several factors, for instance to a rapid increase of consumers' liquidity needs in times of financial uncertainty. The Issuer maintains buffers in compliance with regulatory requirements, but upon a financial crisis, there is a risk that the general financial conditions for consumers deteriorate rapidly, which could cause a significant number of consumers, also being the Issuer's debtors, ending up in financial difficulties simultaneously. The Issuer may be required to take measures to conserve cash until the markets stabilise or until alternative credit arrangements or other funding to cover the Issuer's business needs becomes available on affordable terms. Although amounts at the deposit accounts offered by the Issuer are protected under relevant regulations on deposit guarantees in the relevant jurisdictions in which the Issuer operates (for example corresponding to an amount of up to EUR 100,000 under European Union financial regulation) there is a risk that negative publicity regarding the Issuer or its industry, a deterioration of general economic conditions, new government-issued budgetary restriction or regulatory changes with regard to the maximum compensation amount or otherwise could

cause a mass withdrawal event in the future. This taken together with the risk that the Issuer may fail to attract new deposit customers to replace withdrawing customers, could materially and adversely affect the Issuer's possibility to provide loans to the public or sustain growth in such operations. Consequently, a limited availability of funds on the market combined with rising lending costs, would adversely affect the Issuer's growth in both existing and new markets and the Issuer's business and ultimately its results of operation and financial condition would be materially adversely affected.

The Issuer is subject to floating rate interest rate risks

The Issuer is subject to cash flow interest rate risk which is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk entails the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. For instance, as at 30 September 2024, the Issuer's main interest rate risk arose from the Credit Limit product in Sweden issued with a floating interest of RIKSBANK overnight rate plus a margin, and investments in debt instruments issued with a floating interest of 3 month EURIBOR plus a margin. These financial instruments expose the Issuer to a cash flow interest rate risk. The interest rates are affected by a number of factors that are beyond the control of the Issuer, including but not limited to the interest rate policies of governments and central banks. A decrease in interest rates would entail a decrease in the Issuer's interest income, which could have a negative effect on the Issuer's operations and results. It is possible that any hedging arrangement, if used, will not afford the Issuer sufficient protection against adverse effects of interest rate movements. Moreover, the success of any hedging activities is highly dependent on the accuracy of the Issuer's assumptions and forecasts. Any erroneous estimations that affect such assumptions and forecasts could have a negative effect on the Issuer's operations and financial position.

Risks relating to the Notes

Risks relating to the Nature of the Notes

The Issuer's obligations under the Notes are subordinated

The Notes are intended to qualify as Tier 2 Instruments of the Issuer pursuant to Article 63 of Regulation (EU) No 575/2013 (the "**CRR**"). The obligations under the Notes constitute the general, direct, unsecured, unconditional and subordinated obligations of the Issuer. In the event of the dissolution and winding-up of the Issuer, the claims in respect of the principal and interest in respect of the Notes will,

(a) rank *pari passu* among themselves and *pari passu* with all claims in respect of any Tier 2 Instruments of the Issuer from time to time outstanding;

(b) rank senior to (i) the claims in respect of all Additional Tier 1 Instruments of the Issuer pursuant to Article 52 *et seq.* of the CRR and (ii) the claims in respect of all Common Equity Tier 1 Instruments of the Issuer pursuant to Article 26 *et seq.* of the CRR; and

(c) be fully subordinated to the Issuer's Senior Ranking Obligations (as defined below), so that in any such event the claims of the Noteholders under the Notes will only be satisfied if all of the Issuer's Senior Ranking Obligations have first been satisfied in full.

"**Issuer's Senior Ranking Obligations**" means all of the following claims in respect of obligations of the Issuer which rank senior to the obligations of the Issuer under the Notes:

(i) claims in respect of obligations of the Issuer which enjoy a lawful cause of preference pursuant to the R&R Regulations (as defined below) to rank above the obligations referred to in (ii) below;

(ii) any ordinary unsecured claims of creditors of the Issuer from time to time outstanding;

(iii) any unsecured claims resulting from debt instruments of the Issuer from time to time outstanding that meet the relevant requirements of the R&R Regulations so as to rank below the obligations referred to in (ii) above and in priority to those referred to in (iv) below;

(iv) the claims in respect of any suordinated debt of the Issuer from time to time outstanding that is not in respect of Additional Tier 1 Instruments of the Issuer or Tier 2 Instruments of the Issuer.

If any Notes cease to qualify as Tier 2 Instruments, the claims in respect of such Notes will, in the event of the dissolution and winding-up of the Issuer, rank *pari passu* with all claims referred to in paragraph (iv) above, subject to Regulation 108 of the R&R Regulations, as may be amended from time to time or any other law or provision of Maltese law which may replace such provision from time to time.

If, on a dissolution and winding-up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior ranking creditors in full, the Noteholders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Notes and all other claims that rank *pari passu* with the Notes, Noteholders may lose all or part (which may be a substantial portion of) of their investment in the Notes.

The same principles could apply to the Issuer where the relevant resolution authority applies the appropriate powers of write-down or conversion of the Notes (whether in the event of a resolution of the Issuer or in any other instances under applicable law), in which case it must respect the *pari passu* treatment of creditors and the statutory ranking of claims under the applicable insolvency law.

Risks relating to write-down, conversion and bail-in

The Issuer is subject to Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 the (BRRD), which has been transposed into Maltese law mainly (but not only) through the Recovery and Resolution Regulations (Subsidiary Legislation 330.09) (the "**R&R Regulations**") (the BRRD and the R&R Regulations are hereinafter collectively referred to as the "**BRRD Package**").

The BRRD Package is designed to provide resolution authorities with a set of tools to intervene early and quickly in the affairs of an unsound or failing bank to ensure the continuity of the bank's criti-cal financial and economic functions, whilst minimising the impact of a bank's failure on the economy and financial system.

The Single Resolution Board ("**SRB**") is the central resolution authority within the banking union. Together with the National Resolution Authorities ("**NRAs**"), it forms the SRM. The NRAs are the resolution authorities of the participating Member States of the banking union, which are empow-ered to exercise resolution powers over banks within their own remit and, implementing the reso-lution scheme adopted by the SRB, in relation to banks within the SRB's remit. The SRB and the NRAs cooperate closely with each other within the SRM and exercise their respective powers and tasks in terms of the provisions of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (SRMR).

Normal insolvency proceedings are the default outcome in the event of a bank failure, unless the resolution authorities consider that resolution action is feasible and credible in the circumstances. Resolution authorities may intervene using one or more resolution tools, actions and/or powers in the event that the conditions set out in the R&R Regulations are met, namely that: (a) a bank is failing or likely to fail; (b) there is no reasonable prospect that alternative private sector measures would prevent the failure of a bank; and

(c) a resolution action is in the public interest.

The Board of Governors of the MFSA acts as the resolution authority in Malta in terms ofArticle 7B of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta) (the "**MFSA Act**") . The resolution authority has, in turn, appointed a resolution committee (the "**Resolution Committee**") which has the powers assigned to the resolution authority under the BRRD, and is therefore is responsible, *inter alia*, to apply resolution measures and such other powers as set out in the First Schedule to the MFSA Act and the R&R Regulations.

The SRB is responsible for the resolution of systemically important institutions and the relative NRA would be entrusted with the implementation of the resolution scheme adopted by the SRB. In the case of banks falling under the direct supervision of the NRAs, the latter would be responsible for the resolution of the bank in question. In the case of credit institutions that meet the applicable conditions for resolution, the SRB or the Resolution Committee, as the case may be, has the following tools available at its disposal: (i) the sale of business tool, which enables the SRB or the Resolution Committee to effect a sale of the whole or part of the business, (ii) the bridge institution tool, pursuant to which the SRB or the Resolution Committee shall have the power to transfer to a bridge institution shares, other instruments of ownership, assets, rights and liabilities of the Issuer, (iii) the asset separation tool, which enables the transfer of assets, rights and liabilities to one or more asset management vehicles, and (iv) the bail-in tool, pursuant to which the SRB or the Resolution Committee has a broad range of powers, including, the power to take control of an institution and other powers set out in the R&R Regulations.

The extent to which the Notes may become subject to any resolution action (including that set out above) will depend on a number of factors and it is difficult to predict when, if at all, any such action can be taken, particularly since, as at the date of this Offering Memorandum, none of the conditions for the adoption of resolution action by the SRB or the Resolution Committee subsist with respect to the Issuer. Prospective investors should, nonetheless, consider the risk that, if the Issuer becomes subject to a resolution action, the principal amount of the Notes including any accrued but unpaid interest, may be written down or converted into equity and a broad range of other resolution actions (including those set out above) may be taken in respect of the Issuer.

The determination that all or part of the nominal amount of the Notes will be subject to the BRRD Package may be inherently unpredictable and may depend on several factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Notes which are subject to the BRRD Package is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that Notes will become subject to the BRRD Package could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all its investment in such Notes, including the principal amount plus any accrued but unpaid interest, in the event that measures having that effect are taken under the BRRD Package or otherwise.

Noteholders are subject to credit risks towards the Issuer

Investors in the Notes carry a credit risk relating to the Issuer. The investors' ability to receive payment under the Notes is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Issuer's operations and its financial position. The Issuer's financial position is affected by several factors, some of which have been mentioned above.

An increased credit risk may cause the market to charge the Notes a higher risk premium, which would affect the Notes' value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Issuer may reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Notes.

Liquidity risks and listing of the Notes

There may not be any active trading in the Notes and hence there is a risk that a liquid market for trading in the Notes will not occur or be maintained. This may result in the Noteholders not being able to sell their Notes when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Notes. At any given time during the term of the Notes it may be difficult or impossible to sell the Notes (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Notes may be volatile

The market price of the Notes could be subject to significant fluctuations in response to actual, expected or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors. In addition, the global financial markets have experienced significant price and volume fluctuations in recent years, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's operating results, financial condition or prospects.

Early redemption of the Notes by the Issuer

The Issuer has the option to redeem the Notes as from the first early redemption date, being the date falling five years after the issue date of the Notes. Further, the Issuer may, upon the occurrence of certain changes in the tax or regulatory treatment and subject to the satisfaction of the conditions set out in Article 78(4) of the CRR, at its option, redeem all, but not some only, of the Notes at par together with accrued interest. Any such early redemption of the Notes by the Issuer is subject to obtaining the prior consent of the MFSA. If the Notes would become subject to early redemption by the Issuer, there is a risk that the Noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

The Noteholders have no rights to call for the redemption of the Notes and should not invest in the Notes in the expectation that such a call will be exercised by the Issuer. The MFSA’s prior permission is required for any early redemption and this will depend on the MFSA’s evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time, including the satisfaction of the relevant provisions of Article 78. There is a risk that the MFSA will not permit such a call or that the Issuer will not exercise such a call. The Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the minimum period.

Interest rate risks

The Notes bear interest at a floating rate. Noteholders should be aware that the floating rate interest income is subject to changes to the EURIBOR rate (with no zero floor) and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or redemptions by the Issuer. If the market yield declines, and if Noteholder want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields.

No limitation on incurring debt

There is no restriction on the amount of debt the Issuer may incur which ranks senior to the Notes or on the amount of securities the Issuer may issue which ranks *pari passu* with the Notes. The issuance of additional debt by the Issuer may reduce the amount recoverable by the Noteholders upon the bankruptcy or any liquidation of the Issuer.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency- equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

No events of default or put rights for investors

The Terms and Conditions do not provide for events of default allowing acceleration of the Notes if certain events occur, other than in the event of (i) an extraordinary resolution passed at a general meeting for the dissolution, winding-up or liquidation of the Issuer or (ii) an order by the applicable judicial authorities is made for the dissolution, liquidation, winding-up or liquidation of the Issuer or (iii) an order for liquidation is made by the competent authority in respect of the Issuer under the Controlled Companies (Procedure for Liquidation Act (Cap. 383 of the laws of Malta) or (iv) the dissolution, winding-up or liquidation of the Issuer carried out in terms of any other law that may come into force from time to time. In addition, resolution of the Issuer carried out under the R&R Regulations or any moratorium provided for thereunder shall not trigger any right of acceleration of the Notes by the Noteholders. Accordingly, if the Issuer fails to meet any obligations under the Notes investors will not have a right of acceleration of the Notes. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest under the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the opening of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Noteholders will have no rights to call for the early redemption of their Notes. Noteholders should therefore be aware that they may be required to bear the financial risks of an investment in the Notes until their final maturity.

Risk related to further issuances without consent of the Noteholders

The Issuer may at any time, without the consent of Noteholders, issue further Notes having the same Terms and Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price), if certain conditions are satisfied.

Other related Risks

There may be circumstances under which the Notes may be subject to withholding tax which will not be

grossed-up, including withholding tax under FATCA

Investors should be aware that duties, other taxes and expenses, including any stamp duty, depositary charges, transaction charges and other charges, may be levied in accordance with the laws and practices in the countries where the Notes are transferred and that it is the obligation of an investor to pay all such duties, other taxes and expenses.

All payments made under the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein), unless such withholding or deduction is imposed or required by law. If any such withholding or deduction is imposed and required by law, the Issuer will, in limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted ("**Additional Amounts**") and such event will allow the Issuer to redeem them early as this would allow the Issuer to redeem the Notes in full, but not in part as further specified in the Terms and Conditions of the Notes.

In no event will Additional Amounts be payable in respect of U.S. withholding taxes pursuant to the Foreign Account Tax Compliance Act ("**FATCA**"). Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts as a result of the withholding.

Investors should be aware that payments made under the Notes and capital gains from the sale or redemption of the Notes may be subject to taxation in the jurisdiction of the holder of the Notes or in other jurisdictions in which the holder of the Notes is required to pay taxes.

The Terms and Conditions may be amended by resolution of the Noteholders in which a Noteholder may be subject to the risk of being outvoted by a majority resolution of the Noteholders

As the Terms and Conditions may be amended by the Issuer with the consent of the relevant Noteholders by way of a majority resolution in a Noteholders' Meeting or by a vote not requiring a physical meeting (*Abstimmung ohne Versammlung*) as described in Sections 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "**SchVG**"), the Issuer may subsequently amend the Terms and Conditions with the consent of the majority of Noteholders as described in the Terms and Conditions, which amendment will be binding on all Noteholders, even on those who voted against the change. As the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Notes outstanding, any such resolution may technically be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding.

Therefore, a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. As such majority resolution is binding on all Noteholders of the Notes, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or cancelled, even for Noteholders who have declared their claims arising from the Notes due and payable but who have not received payment from the Issuer prior to the amendment taking effect, which may have significant negative effects

on the value of the Notes and the return from the Notes.

The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative. If a joint representative is appointed a Noteholder may be deprived of its individual right to pursue and enforce a part or all of its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' joint representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Any amendment of the Terms and Conditions by way of a majority resolution is subject to compliance with the requirements of regulatory law for the recognition of the Notes as Tier 2 instruments of the Issuer pursuant to Articles 63, 77 and 78 of the CRR and the prior permission of the MFSA to the extent required.

USE OF PROCEEDS

In connection with the Issue, the Issuer will receive gross proceeds of EUR 24,750,000. The proceeds will further strengthen the Issuer's capital base and its Tier 2 capital requirements in terms of the CRR. The Issuer will use the net proceeds from the issue and sale of the Notes for general corporate purposes.

TERMS AND CONDITIONS OF THE NOTES

§1
CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination*. This series of subordinated notes (the "**Notes**") of Multitude Bank p.l.c., a public limited liability company registered under the laws of Malta, having its registered office at ST Business Centre, 120, The Strand, Gzira GZR 1027, Malta, and having company registration number C 56251 (the "**Issuer**") is being issued in Euro (the "**Specified Currency**") in the aggregate principal amount of 25,000,000 (in words: twenty five million) in denominations of EUR 50,000 (the "**Specified Denomination**").

(2) *Form*. The Notes are being issued in bearer form.

(3) *Global Note.* The Notes are represented by a global note (the "**Global Note**") without interest coupons. Definitive note certificates and interest coupons will not be issued. The Noteholders will have no right to request physical delivery of the Global Note or to require the issue of definitive notes certificates or interest coupons.

(4) *Clearing System.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

(5) *Definitions*.

"**Additional Tier 1**" means the term used in the CRD and in the CRR to denote capital of the Issuer maintained in terms of article 61 of the CRR and consisting of Additional Tier 1 items in terms of article 51 of the CRR, or, if such term is no longer used, any equivalent or successor term, whether in the same law or regulations or in any other law or regulation applicable to the Issuer from time to time.

"**Additional Tier 1 Instruments**" means Additional Tier 1 instruments as defined under the R&R Regulations.

"**Resolution Authority**" means the Resolution Committee acting within the framework of the single resolution mechanism under the SRM Regulation or any successor or replacement thereto or such other authority having primary responsibility for the recovery and/or resolution of the Issuer.

"**Resolution Committee**" means the committee responsible for recovery and resolution, as established in the MFSA Act.

"**Applicable Supervisory Regulations**" means the provisions of bank supervisory laws and any regulations and other rules thereunder applicable from time to time (including, but not limited to, the Banking Act (Cap. 371 of the laws of Malta) and subsidiary legislation and Banking Rules issued thereunder, the BRRD, the CRD, the CRR, the SRM Regulation, if applicable to the Issuer, and the SSM Regulation (if applicable to the Issuer) and the guidelines and recommendations of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any competent authority, any applicable decision of a court and any applicable transitional provisions) relating to capital adequacy, solvency, other prudential requirements and/or resolution and applicable to the Issuer and/or the Issuer's Regulatory Group from time to time.

"**Noteholder**" means any holder of a proportionate co- ownership or other beneficial interest or right in the Temporary Global Note or the Permanent Global Note.

"**BRRD**" means Directive 2014/59/EU, as amended or replaced from time to time; to the extent that any provisions of the BRRD are amended or replaced, the reference to provisions of the BRRD as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Clearing System**" means Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany and any successor in such capacity.

"**Common Equity Tier 1**" means the term used in the CRD and in the CRR to denote capital of the Issuer maintained in terms of article 50 of the CRR and consisting of Common Equity Tier 1 items in terms of article 26 of the CRR, or, if such term is no longer used, any equivalent or successor term, whether in the same law or regulations or in any other law or regulation applicable to the Issuer from time to time.

"**Common Equity Tier 1 Instruments**" means Common Equity Tier 1 instruments as defined under the R&R Regulations.

"**CRD**" means Directive 2013/36/EU, as amended or replaced from time to time; to the extent that any provisions of the CRD are amended or replaced, the reference to provisions of the CRD as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**CRR**" means Regulation (EU) No 575/2013, as amended or replaced from time to time; to the extent that any provisions of the CRR are amended or replaced, the reference to provisions of the CRR as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

"**Business Day**" means each day (other than a Saturday or Sunday) on which (a)(i) the real-time gross-settlement system operated by the Eurosystem (T2) or any successor system and (ii) the Clearing System settle payments, and (b) commercial banks and foreign exchange markets in Frankfurt am Main are open for business.

"**Issuer's Regulatory Group**" means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

"**R&R Regulations**" means the Recovery and Resolution Regulations (Subsidiary Legislation 330.09 issued under Cap. 330 of the Laws of Malta), as amended or replaced from time to time; to the extent that any provisions of the R&R Regulations are amended or replaced, the reference to provisions of the R&R Regulations as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**SRM Regulation**" means the Regulation (EU) No 806/2014, as amended or replaced from time to time, and any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**SSM Regulation**" means the Regulation (EU) No 1024/2013, as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions

include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**SSM Framework Regulation**" means Regulation (EU) No. 468/2014 of the ECB of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the European Central Bank and each national competent authority and with national designated authorities.

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

"**Payment Business Day**" means any day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the real-time gross settlement system operated by the Eurosystem or any successor system (T2) are open to effect payments.

"**Competent Authority**" means the Malta Financial Services Authority as established in terms of article 3 of the MFSA Act, provided that in the event that the Issuer is at any time classified as a 'significant supervised entity' within the meaning of the SSM Framework Regulation and becomes subject to direct prudential supervision by the European Central Bank in respect of the functions granted to the Euuropean Central Bank by the SSM Regulation and the SSM Framework Regulation, any references to the "Competent Authority" shall be understood as the European Central Bank in conjunction with the Malta Financial Services Authority and/or any successor thereto or such other authority or authorities having primary responsibility for the prudential supervision of the Issuer and/or the Issuer's Regulatory Group at the relevant time..

"**MFSA Act**" means the Malta Financial Services Authority Act, Cap. 330 of the laws of Malta, as may be amended from time to time.

"**Tier 2**" means the term used in the CRD and in the CRR to denote capital of the Issuer maintained in terms of article 71 of the CRR and consisting of Tier 2 items in terms of article 62 of the CRR, or, if such term is no longer used, any equivalent or successor term, whether in the same law or regulations or in any other law or regulation applicable to the Issuer from time to time

"**Tier 2 Instruments**" means Tier 2 instruments as defined under the R&R Regulations.

§ 2
STATUS

(1) *Status*. The Notes are intended to qualify as Tier 2 Instruments of the Issuer pursuant to Article 63 of the CRR. The obligations under the Notes constitute the general, direct, unsecured, unconditional and subordinated obligations of the Issuer. In the event of the dissolution and winding-up of the Issuer, the claims in respect of the principal and interest in respect of the Notes will,

(a) rank *pari passu* among themselves and *pari passu* with all claims in respect of any Tier 2 Instruments of the Issuer from time to time outstanding;

(b) rank senior to (i) the claims in respect of all Additional Tier 1 Instruments of the Issuer pursuant to Article 52 *et seq.* of the CRR and (ii) the claims in respect of all Common Equity Tier 1 Instruments of the Issuer pursuant to Article 26 *et seq.* of the CRR; and

(c) be fully subordinated to the Issuer's Senior Ranking Obligations (as defined below), so that in any such event the claims of the Noteholders under the Notes will only be satisfied if all of the

Issuer's Senior Ranking Obligations have first been satisfied in full.

"**Issuer's Senior Ranking Obligations**" means all of the following claims in respect of obligations of the Issuer which rank senior to the obligations of the Issuer under the Notes:

(i) claims in respect of obligations of the Issuer which enjoy a lawful cause of preference pursuant to the R&R Regulations to rank above the obligations referred to in ii);

(ii) any ordinary unsecured claims of creditors of the Issuer from time to time outstanding;

(iii) any unsecured claims resulting from debt instruments of the Issuer from time to time outstanding that meet the relevant requirements of the R&R Regulations so as to rank below the obligations referred to in ii) and in priority to those referred to in iv);

(iv) the claims in respect of any subordinated debt of the Issuer from time to time outstanding that is not in respect of Additional Tier 1 Instruments of the Issuer or Tier 2 Instruments of the Issuer.

If any Notes cease to qualify as Tier 2 Instruments, the claims in respect of such Notes will, in the event of the dissolution and winding-up of the Issuer, rank *pari passu* with all claims referred to in paragraph (iv) above, subject to Regulation 108 of the R&R Regulations, as may be amended from time to time or any other law or provision of Maltese law which may replace such provision from time to time.

(2) *No set-off*. Any claims in respect of the Notes may not be set-off, netted or be the subject of a counterclaim by the Noteholder against or in respect of any of its obligations to the Issuer or any other person and every Noteholder waives any right that it might otherwise have to set-off, netting or counterclaim.

(3) *No security or guarantee*. No security or guarantee of whatever kind securing the obligations of the Issuer under the Notes is, or shall at any time be, provided by the Issuer or any other person to the Noteholders.

(4) *No subsequent change of status and early redemption without consent*. No subsequent agreement may limit the subordination pursuant to § 2(1) or shorten the term of the Notes or any applicable notice period. If the Notes are redeemed or repurchased by the Issuer otherwise than as a result of a permitted redemption or purchase as set forth in §4 of these Terms and Conditions, then the amounts paid must be returned to the Issuer irrespective of any agreement to the contrary.

(5) *Powers of the competent authority*. Under and subject to the conditions of the R&R Regulations, the Notes may be subject to the powers exercised by the Resolution Authority to:

(a) write down, including write down to zero, the claims for payment in respect of the Notes;

(b) convert these claims into ordinary shares or other instruments of ownership of (i) the Issuer or (ii) any group entity or (iii) any bridge bank (and the issue to or conferral on the counterparty of such instruments); and/or

(c) apply any other resolution measure, including, but not limited to, (i) any transfer of the Notes to another entity, (ii) the amendment, modification or variation of the Terms and Conditions or (iii) the cancellation of the Notes

(each, a "**Resolution Measure**").

(6) *Resolution Measures*. The Noteholders shall be bound by any Resolution Measure. No Noteholder shall have any claim or other right against the Issuer arising out of any Resolution Measure. In particular, the exercise of any Resolution Measure shall not constitute an event of default giving rise to acceleration by the Noteholders.

§ 3
INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their Specified Denomination at the Rate of Interest (as defined in § 3(2)) as is applicable to the relevant Interest Period from and including 10 March 2025 (the "**Interest Commencement Date**"). Interest for each Interest Period shall be payable semi-annually in arrears on 30 June and 31 December of each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on 30 June 2025.

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and from and including each Interest Payment Date to but excluding the following Interest Payment Date.

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (actual/365-days basis).

(2) *Rate of Interest.* The applicable rate of interest (the "**Rate of Interest**") for each Interest Period will be the Reference Rate (as defined below) plus the Margin (as defined below), provided that, for purposes of the determination of the Reference Rate, a rate which is not expressed on an annual basis will be converted to an annual basis in a commercially reasonable manner.

The Calculation Agent will determine the Reference Rate and the resulting Rate of Interest in accordance with this § 3(2) on the Interest Determination Date (as defined below).

"**Margin**" means 11.00% *per annum*.

(3) *Determination of the Reference Rate*. The Calculation Agent will determine the Reference Rate applicable to the respective Interest Period in accordance with this § 3(3) on the Interest Determination Date (as defined below).

The "**Reference Rate**" will be determined as follows:

(a) Prior to the occurrence of a Benchmark Event (as defined in § 3(4)(f)), the Reference Rate will be equal to the Original Benchmark Rate on the Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at the relevant time on Interest Determination Date, the Reference Rate shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

(b) After the occurrence of a Benchmark Event, the Reference Rate will be determined in accordance with § 3(4).

(c) If, in the determination of the Issuer, the determination of the Reference Rate in accordance with § 3(3)(b) would be likely to prejudice the qualification of the Notes as Tier 2 Instruments and/or as eligible liabilities or loss absorbing capacity instruments on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group for the purposes of

the Applicable Supervisory Regulations, the Reference Rate shall be 2.464% *per annum*.[3]

Where:

"**EURIBOR**" means the offered rate for deposits in euro having a maturity of three months, as that rate appears on the Screen Page (as defined below)

"**Screen Page**" means Reuters Screen Page "EURIBOR01" (or any successor page) under the heading "11:00 AM" (or any successor heading) (the "**Original Screen Page**"). If the Original Screen Page permanently ceases to exist or permanently ceases to quote the Original Benchmark Rate but such quotation is available from another provider and/or page selected by the Issuer in its reasonable discretion (the "**Replacement Screen Page**"), the term "Screen Page" for purposes of the determination of the Original Benchmark Rate shall be the Replacement Screen Page with effect from the date on which the Replacement Screen Page is selected by the Issuer.

"**T2 Business Day**" means a day (other than a Saturday or a Sunday) on which all relevant parts of the real-time gross settlement system operated by the Eurosystem or any successor system (T2) are open to effect payments.

"**Original Benchmark Rate**" on any day means (subject to § 3(4)) EURIBOR (expressed as a percentage *per annum*) as at 11:00 a.m. (Frankfurt am Main time), as displayed on the Screen Page as at or around 11:00 a.m. (Frankfurt am Main time) (or, if later, as at or around such time at which EURIBOR becomes available on the Screen Page) on such day.

"**Interest Determination Date**" means the second T2 Business Day preceding any period for which a Rate of Interest is to be determined.

(4) *Benchmark Event*. If a Benchmark Event (as defined in § 3(4)(f)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3(2) will be determined as follows:

(a) *Independent Adviser*. The Issuer shall, as soon as is required (in the Issuer's view) following the occurrence of the Benchmark Event and prior to the Interest Determination Date, endeavor to appoint an Independent Adviser (as defined in § 3(4)(f)), who will determine a New Benchmark Rate (as defined in § 3(4)(f)), the Adjustment Spread (as defined in § 3(4)(f)) and any Benchmark Amendments (as defined in § 3(4)(f)).

(b) *Fallback rate.* If, prior to the 10th Business Day prior to the Interest Determination Date,

(i) the Issuer has not appointed an Independent Adviser; or

(ii) the Independent Adviser appointed by it has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined any Benchmark Amendments (if required) in accordance with this § 3(4),

the Reference Rate applicable to the Reset Period shall be 2.464% *per annum*.[4]

[3] 3 months EURIBOR at the time of pricing of the Notes.

[4] 3 months EURIBOR at the time of pricing of the Notes.

(c) *Successor Benchmark Rate or Alternative Benchmark Rate*. If the Independent Adviser determines in its reasonable discretion that:

(i) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall be the New Benchmark Rate; or

(ii) there is no Successor Benchmark Rate but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall be the New Benchmark Rate.

In either case the Reference Rate, subject to § 3(2)(c), will then be (x) the New Benchmark Rate on the Interest Determination Date plus (y) the Adjustment Spread.

(d) *Benchmark Amendments*. If any New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 3(4), and if the Independent Adviser determines in its reasonable discretion that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments.

Such Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

(i) the determination of the Reference Rate in accordance with § 3(3) and this § 3(4); and/or

(ii) the definitions of the terms "Business Day", "Payment Business Day", "Interest Period", "Day Count Fraction", "Interest Determination Date", and/or "Interest Payment Date" (including the determination whether the Reference Rate will be determined on a forward-looking or a backward-looking basis); and/or

(iii) the payment business day convention in accordance with § 5(4).

(e) *Notices etc*.

(i) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined in accordance with this § 3(4) or the fallback rate in accordance with § 3(4)(b), as the case may be, to the Calculation Agent and the Paying Agent in the form of a certificate signed by two authorized signatories of the Issuer as soon as such notification or certification is required (in the Issuer's view) following the determination thereof, but in any event not later than on the 10th Business Day prior to the Interest Determination Date.

(ii) The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined in accordance with this § 3(4) or the fallback rate in accordance with § 3(4)(b), as the case may be, to the Noteholders in accordance with § 9 as soon as practicable following the notice in accordance with clause (i). Such notice shall be irrevocable.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) or the fallback rate, as the case may be, each as specified in such notice, will (in the absence of manifest error) be binding on the Issuer, the Paying Agent, the Calculation Agent and the Noteholders.

(iii) The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments or the fallback

rate, as the case may be, with effect from the effectiveness of the notice in accordance with clause (ii) and § 9.

(f) As used in this § 3(4):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (x) the spread, or (y) the result of the operation of the formula or methodology for calculating the spread, which

(i) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(ii) (if no recommendation pursuant to clause (i) has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or

(iii) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Notes) is recognized or acknowledged as being the industry standard for over-the- counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternative Benchmark Rate**" means an alternative benchmark or an alternative screen rate which is customarily applied in the international debt capital markets for the purpose of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

A "**Benchmark Event**" occurs if:

(i) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, (x) stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate, or (y) as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally or in respect of the Notes; or

(ii) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or

(iii) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the regulatory supervisor of the Original Benchmark Rate administrator; or

(iv) it has become, for any reason, unlawful under any law or regulation applicable to the Paying Agent, the Calculation Agent or the Issuer to use the Original Benchmark Rate;

or

(v) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the regulatory supervisor or the administrator; or

(vi) a material change is made to the Original Benchmark Rate methodology.

"**Relevant Nominating Body**" means, in respect of the replacement of the Original Benchmark Rate:

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other regulatory supervisor which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (III) a group of the aforementioned central banks or other supervisory authorities or (IV) the Financial Stability Board or any part thereof.

"**Successor Benchmark Rate**" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by the Relevant Nominating Body.

"**New Benchmark Rate**" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 3(4).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

(g) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3(4) shall apply mutatis mutandis to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3(4) to the term "Original Benchmark Rate" shall be deemed to be a reference to the New Benchmark Rate that last applied.

(h) Any reference in this § 3(4) to the term "Original Benchmark Rate" shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(5) *Accrual of Interest.* The Notes shall cease to bear interest from the expiry of the day preceding the day on which they are due for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes from the due date until the expiry of the day preceding the day of the actual redemption of the Notes at the default rate of interest established by law.

§ 4
REDEMPTION, REPURCHASE

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled in accordance with this § 4, the Notes shall be redeemed at their Specified Denomination on 10 March 2035 (the "**Maturity Date**").

(2) *Early Redemption at the Option of the Issuer.* Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of the Optional Redemption Date (as defined below). If the Issuer exercises its call right in accordance with this paragraph and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at the Specified Denomination together with accrued interest to but excluding such Optional Redemption Date on the Optional Redemption Date fixed for redemption.

"**Optional Redemption Date**" means each Payment Business Day during the period from and including 10 March 2030 to but excluding the Maturity Date.

Any notice regarding an early redemption by the Issuer in accordance with this § 4(2) shall specify (i) the series and securities identification numbers of the Notes subject to early redemption; and (ii) the Optional Redemption Date fixed for redemption.

(3) *Early Redemption for Regulatory Reasons*. Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, at any time on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of the date of redemption fixed in the notice if a Regulatory Event (as defined below) occurs. If the Issuer exercises its call right in accordance with this paragraph and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at their Specified Denomination together with interest accrued to but excluding the date fixed for redemption on the date fixed for redemption.

A "**Regulatory Event**" occurs if, on or after the date of issue of the Notes, there is a change in the regulatory classification of the Notes that would be likely to result in their (i) exclusion from the own funds or (ii) reclassification as own funds of a lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group), provided that in respect of a redemption prior to the fifth anniversary of the issue date of the Notes the conditions in Article 78(4)(a) of the CRR are met, pursuant to which the Competent Authority may approve such redemption only if (i) it considers the change in the regulatory classification to be sufficiently certain and (ii) the Issuer demonstrated to its satisfaction that the regulatory reclassification of the Notes was not reasonably foreseeable at the date of issue of the Notes.

Any notice regarding an early redemption by the Issuer in accordance with this § 4(3) shall (i) specify the series and securities identification numbers of the Notes subject to early redemption; (ii) specify the date fixed for redemption; and (iii) set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(4) *Early Redemption for Reasons of Taxation*. Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer may, at any time on giving not less than 15 and not more than 30 Business Days' prior notice to the Noteholders in accordance with § 9, redeem all, but not only some, of the outstanding Notes with effect as of the date of redemption fixed in the notice if a Gross up Event (as defined below) occurs, provided that in respect of a redemption prior to the fifth anniversary of the issue date of the Notes, if the conditions in Article 78(4)(b) of the CRR are met,

pursuant to which the Competent Authority may approve such redemption only if there is a change in the applicable tax treatment of the Notes which the Issuer demonstrated to its satisfaction is material and was not reasonably foreseeable at the date of issue of the Notes. If the Issuer exercises its call right in accordance with this paragraph and the Conditions to Redemption and Repurchase are fulfilled, the Issuer shall redeem the Notes at their Specified Denomination together with interest accrued to but excluding the date fixed for redemption on the date fixed for redemption.

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay any Additional Amounts (as defined in § 6).

A "**Gross up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules, or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective on or after the date of issue of the Notes (including in case any such change, amendment or clarification has retroactive effect), the Issuer has or will become obliged to pay Additional Amounts pursuant to § 6 on the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(5) *Repurchase.* Subject to the Conditions to Redemption and Repurchase (as defined below) being fulfilled, the Issuer and/or any of its subsidiaries may repurchase Notes in the open market or otherwise. Such acquired Notes may be cancelled, held or resold.

(6) *Conditions to Redemption and Repurchase*. The "**Conditions to Redemption and Repurchase**" are fulfilled on any day with respect to an early redemption or a planned repurchase of the Notes, if the Competent Authority has granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision. At the time of the issuance of the Notes, such permission requires that either of the following conditions is met:

(i) before or at the same time as the redemption or the repurchase, the Issuer (or its subsidiary) replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRD, the CRR and the BRRD by a margin that the Competent Authority considers necessary at such time, provided that the Competent Authority may grant the Issuer a general prior permission to make a redemption or a repurchase for a specified period, which shall not exceed one year, after which it may be renewed, and for a certain predetermined amount as set by the Competent Authority, which shall not exceed 3% of the total amount of all outstanding Tier 2 Instruments issued by the Issuer, subject to criteria set by the Competent Authority that ensure that any such future redemption or repurchase will be in accordance with the conditions set out in point (i) above and this point (ii), if the Issuer provides sufficient safeguards as to its capacity to operate with own funds above the amounts required in the Applicable Supervisory Regulations.

In addition to satisfying any one of the conditions in paragraphs (i) and (ii) above, any redemption or repurchase of Notes prior to the fifth anniversary of the issue date of the Notes must either meet the conditions set forth under § 4(3) or § 4(4), or satisfy the following conditions:

(i) before or at the same time of the redemption or the repurchase the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted the redemption or the repurchase on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(ii) the Notes are repurchased for market making purposes within the limits permitted by the Competent Authority.

Notwithstanding the above conditions, if, at the time of any redemption or repurchase, the Applicable Supervisory Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as applicable, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with Articles 77 *et. seq*., CRR shall not constitute a default for any purpose.

(7) *No Right of Termination or Acceleration by the Noteholders.* The Noteholders shall not be entitled to terminate or otherwise accelerate the redemption of the Notes, other than in the event of (i) an extraordinary resolution passed at a general meeting for the dissolution, winding-up or liquidation of the Issuer or (ii) an order by the applicable judicial authorities is made for the dissolution, liquidation, winding-up or liquidation of the Issuer or (iii) an order for liquidation is made by the competent authority in respect of the Issuer under the Controlled Companies (Procedure for Liquidation Act (Cap. 383 of the laws of Malta) or (iv) the dissolution, winding-up or liquidation of the Issuer carried out in terms of any other law that may come into force from time to time. In addition, resolution of the Issuer carried out under the R&R Regulations or any moratorium provided for thereunder shall not trigger any right of acceleration of the Notes by the Noteholders. Accordingly, if the Issuer fails to meet any obligations under the Notes investors will not have a right of acceleration of the Notes. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest under the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the opening of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

§ 5
PAYMENTS

(1) Payment of Principal and Interest.

(a) *Payment of Principal*. Payment of principal in respect of the Notes shall be made, subject to § 5(2) below, to the Clearing System or (if applicable) to its order for credit to the accounts of the relevant account holders of the Clearing System outside the United States.

(b) *Payment of Interest*. Payment of interest on the Notes shall be made, subject to § 5(2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to § 5(2), to the Clearing System or (if applicable) to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Business Days*. If the due date for payment of any amount in respect of any Note is not a Payment Business Day, then the Noteholder shall not be entitled to payment until the next such Payment Business Day and shall not be entitled to further interest or other payment in respect of such delay.

(5) *References.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount; the Early Redemption Amount; and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 6.

(6) *Applicable Laws and Regulations*. All payments are subject in all cases to any applicable fiscal and other laws, regulations and directives and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, or directives, but without prejudice to the provisions of § 6. No commission or expense shall be charged to the Noteholders in respect of such payments.

§ 6
TAXATION

All amounts payable in respect of the Notes shall be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of any Relevant Jurisdiction (as defined below) or by or on behalf of any political subdivision or authority in any of them having power to tax (hereinafter together called "**Withholding Taxes**"), unless such deduction or withholding is required by law. "**Relevant Jurisdiction**" means the Issuer's country of domicile for tax purposes. If the Issuer is required by law to make any such deduction or withholding on payments of interest (but not in respect of the payment of any principal in respect of the Notes), the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholder after such deduction or withholding shall equal the respective amounts of interest which would have been receivable had no such deduction or withholding been required. No such Additional Amounts shall, however, be payable on account of any Withholding Taxes which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments made by it; or

(b) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Relevant Jurisdiction or any other member state of the European Union and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in the Relevant Jurisdiction; or

(c) the withholding or deduction of which a Noteholder would be able to avoid by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or

refund but fails to do so; or

(d) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of savings, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Jurisdiction or the European Union is a party/are parties, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding.

In any event, the Issuer will not have any obligation to pay Additional Amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter- governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"), or to indemnify any Noteholder in relation to any FATCA Withholding.

§ 7
PRESENTATION PERIOD

The presentation period provided in § 801 paragraph 1, sentence 1 German Civil Code (BGB) is reduced to ten years for the Notes.

§ 8
PRINCIPAL PAYING AGENT, PAYING AGENT AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The Principal Paying Agent, the Calculation Agent and their respective specified offices are:

"**Principal Paying Agent**":

Baader Bank AG
Weihenstephaner Straße 4
85716 Unterschleißheim
Germany

"**Calculation Agent**": The Issuer

The Principal Paying Agent and the Calculation Agent reserve the right at any time to change its specified offices to some other specified offices in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to appoint additional paying agents (together with the Principal Paying Agent, the "**Paying Agents**" and each a "**Paying Agent**"). The Issuer further reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, any Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent, another Paying Agent or another Calculation Agent. The Issuer shall at all times maintain a Principal Paying Agent and a Calculation Agent. Any variation, termination, appointment or change shall only take effect after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 9 (other than in the case of insolvency, when it shall be of immediate effect).

(3) *Agents of the Issuer*. The Principal Paying Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 9
NOTICES

(1) *Notification to Clearing System*. The Issuer will deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders.

(2) *Publication on the Website of the Issuer*. Any notices concerning the Notes will also be published on the website of the Issuer and, to the extent required by mandatory law, in the German Federal Gazette (*Bundesanzeiger*).

§ 10
FURTHER ISSUES OF NOTES

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same conditions as the Notes in all respects (or in all respects except for the issue date, Interest Commencement Date and/or issue price) so as to form a single series with the Notes.

§ 11
AMENDMENT OF THE TERMS AND CONDITIONS, NOTEHOLDERS' REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 *et seqq*. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*), as amended from time to time (the "**SchVG**"). In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5 paragraph 3 SchVG by resolutions passed by such majority of the votes of the Noteholders as stated under § 11(2) below. A duly passed majority resolution shall be binding equally upon all Noteholders.

The Issuer's right under this § 11(1) is subject to

(a) the compliance with the requirements of regulatory law for the recognition of the Notes as Tier 2 instruments of the Issuer pursuant to Article 63 of the CRR; and

(b) the prior permission of the Competent Authority to the extent required.

There will be no amendment of the Terms and Conditions without the Issuer's consent.

(2) *Majority Requirements.* Resolutions shall be passed by a majority of not less than 75% of the votes cast, provided that the quorum requirements are met. Resolutions relating to amendments of the Terms and Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3, Nos. 1 to 9 SchVG require a simple majority of the votes cast, provided that the quorum requirements are met.

(3) *Resolution of Noteholders.* Resolutions of Noteholders shall be passed at the election of the Issuer by vote taken without a meeting in accordance with § 18 SchVG or in a Noteholder's meeting in accordance with § 9 SchVG.

(4) *Meeting.* Attendance at the meeting and exercise of voting rights is subject to the Noteholders' prior registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 12(4)(i)(a) and (b) in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(5) *Vote without a meeting.* Together with casting their votes, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 12(4)(i)(a) and (b) in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such votes have been cast until and including the day the voting period ends.

(6) *Second meeting.* If it is ascertained that no quorum exists for the meeting pursuant to § 11(4) or the vote without a meeting pursuant to § 11(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 15 paragraph 3 sentence 2 SchVG or in case of a vote without a meeting the vote administrator (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 15 paragraph 3 sentence 3 of SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Noteholders' prior registration. The provisions set out in § 11(4) shall apply *mutatis mutandis* to the Noteholders' registration for a second meeting.

(7) Noteholders' Representative. The Noteholders may by majority resolution appoint a common representative (the "**Noteholders' Representative**") to exercise the Noteholders' rights on behalf of each Noteholder. The appointment of a Noteholders' Representative may only be passed by a majority pursuant to § 11(2) sentence 1 if such Noteholders' Representative is to be authorised to consent to a material change in the substance of the Terms and Conditions or other material matters.

The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Noteholders' Representative shall comply with the instructions of the Noteholders. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Noteholders' Representative.

(8) *Publication.* Any notices concerning this § 11 shall be made exclusively pursuant to the provisions of the SchVG.

§ 12
FINAL CLAUSES

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by German law.

(2) *Place of performance*. Place of performance is Frankfurt am Main, Federal Republic of Germany.

(3) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main shall have exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

This is subject to any exclusive court of venue for specific legal proceedings in connection with the SchVG.

(4) *Enforcement.* Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes.

DESCRIPTION OF THE ISSUER

General Information

Legal and commercial name:	Multitude Bank p.l.c.
Registered address:	ST Business Centre, 120, the Strand, Gzira GZR 1027, Malta
Place of registration and domicile:	Malta
Company registration number:	C 56251
Legal Entity Identifier:	213800SGT5S6EKUW2987
Date of registration:	9 May 2012
Legal form and duration:	The Issuer is lawfully existing and registered as a public limited liability company under the Companies Act (Cap. 386 of the Laws of Malta). The Issuer has been established for an indefinite duration.
Email	info@multitudebank.com
Website	https://www.multitudebank.com/

On 1 October 2022, the Issuer changed its legal name from Ferratum Bank p.l.c. to Multitude Bank p.l.c.

The contents of the Issuer's website or any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, do not form part of the Offering Memorandum (other than certain financial information published on the Issuer's website and specifically incorporated by reference into this Offering Memorandum).

Corporate Purpose

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry.

The object of the Issuer under its Memorandum is the following:

(i) to undertake the business of banking, as defined in, and in accordance with, the provisions of the Banking Act (chapter 371 of the Laws of Malta) and to execute all kinds of banking and financial operations in all currencies with any person, company, firm, partnership or other entity, whether in Malta or elsewhere, as may be allowed in terms of the licence issued to the Issuer by the competent authority;

(ii) to engage in the business of accepting deposits of money from the public withdrawable or repayable on demand or after a fixed period or after notice and borrowing or raising money from the public (including the borrowing or raising of money by the issue of debentures or debenture stock or other instruments creating or acknowledging indebtedness), in either case for the purpose of employing such money in whole or in part by lending (including personal credits, mortgage credits, factoring with or without recourse, financing of commercial transactions including forfeiting and acquisitions of receivables) to others or otherwise investing for the account and at the risk of the Issuer; and

(iii) to engage in the business of financial leasing, issuing of guarantees and other commitments.

A copy of the Memorandum is available for inspection on the Issuer's Website (https://www.multitudebank.com/investor-relations/corporate-governance).

Banking Licence

The Issuer is licensed as a credit Institution under the Banking Act (Cap. 371 of the Laws of Malta) (the "**Banking Act**") by the Malta Financial Services Authority (MFSA)

(i) to carry out the business of banking under the Banking Act;

(ii) to provide payment services as defined under the Financial Institutions Act (Cap. 376 of the laws of Malta);

(iii) to issue and administer other means of payment not covered in (ii);

(iv) to provide guarantees and commitments; and

(iv) to deal on its own account in money market instruments, foreign exchange, financial futures and options, exchange and interest rate instruments and transferable securities.

The licence was granted on 12 September 2012.

Through its licence, the Issuer may offer its products of services to the entire EEA market using the single European passport regime which allows the Issuer to conduct banking business and deliver financial services throughout the EEA on the basis of its existing banking license issued in Malta.

Financial Year

The financial year of the Issuer corresponds to the calendar year.

Statutory Auditor

The independent auditor of the Issuer is Pricewaterhouse Coopers Malta, 78, Mill Street, Zone 5, Central Business District, Qormi CBS 5090, Malta ("**PwC**").

PwC audited the annual financial statements of the Issuer as of the financial years ended 31 December 2022 and 31 December 2023 under International Financial Reporting Standards (IFRS) as adopted by the EU and prepared in accordance with the requirements of the Maltese Banking Act (Cap. 371) and the Maltese Companies Act (Cap. 386) (together, the "**Audited Financial Statements**"). PwC issued an unqualified auditor's report on the Audited Financial Statements.

Share Capital

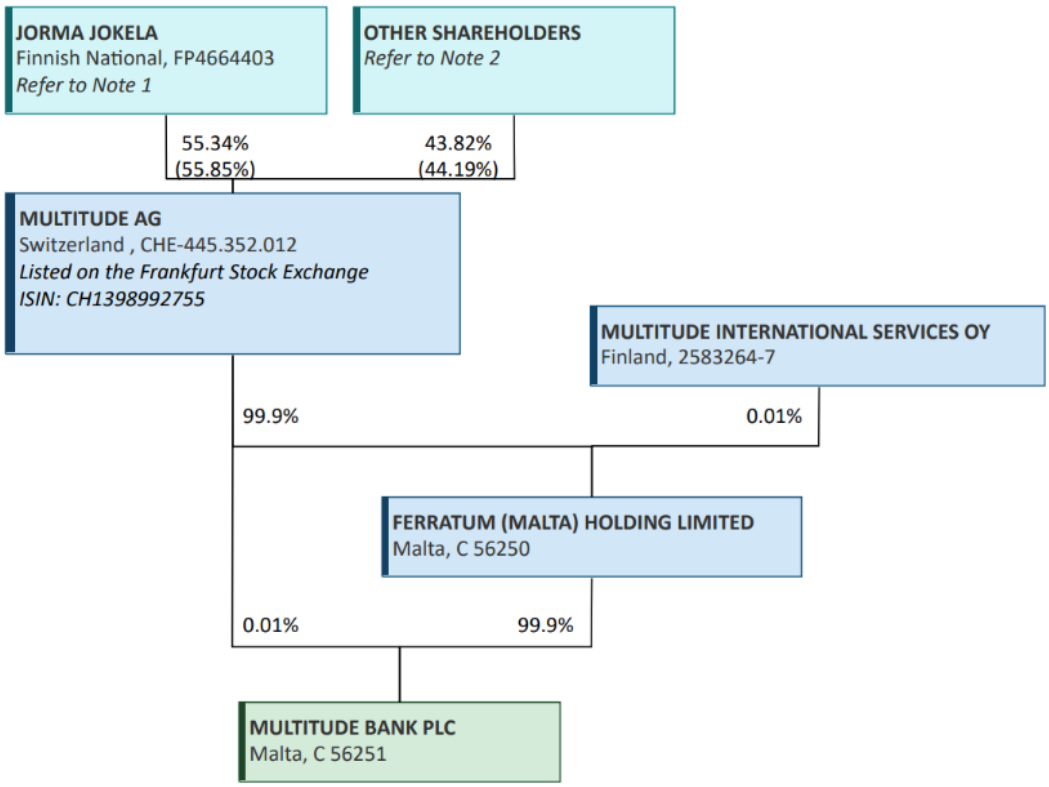
The authorised and issued share capital of the Issuer amounts to €10,000,00 and is divided into 10,000,000 ordinary shares of a nominal value of €1.00 each. The issued share capital is fully paid up. All the ordinary shares in the Issuer rank *pari passu*. Each ordinary share confers the right to one vote.

The shares of the Issuer are not listed.

Shareholders; Organizational Structure

The Issuer is part of the Multitude Group whose parent company is Multitude AG, a Swiss company limited by shares (*Aktiengesellschaft*, AG) registered under the laws of Switzerland (together with its subsidiaries,

the "**Multitude Group**"). Multitude AG is listed on the regulated market (*Prime Standard*) of the Frankfurt Stock Exchange. Multitude AG, originally established in Finland, transferred its registered seat to Malta on 30 June 2024 as approved by the Extraordinary Shareholders' General Meeting on 21 March 2024. The transfer of the registered seat to Malta was the first (interim) phase in Multitude AG's relocation to Switzerland, which took effect on 30 December 2024, following the approval of such transfer at the Extraordinary Shareholders' General Meeting on 5 September 2024. Neither transfer of the registered seat affects the listing of Multitude AG.'s shares on the regulated market (*Prime Standard*) of the Frankfurt Stock Exchange, nor its management seat which continues to be in Finland. Ferratum (Malta) Holding Limited, a company registered under the laws of Malta having company registration number C 56250 holds 99.99% of the issued share capital of the Issuer and is the directly controlling shareholder of the Issuer. Multitude AG is the indirect controlling shareholder of the Issuer.



As of 24 January 2025

Note 1: Multitude AG's largest shareholder, Jorma Jokela, beneficially owns 55.34% of the shares in the company through his holdings in Jokela Capital OÜ, JT Capital Limited and other direct and indirect shareholdings in Multitude AG. Multitude AG owns 0.86% of its own shares. The remaining 43.79% shareholding in Multitude AG is in public float (see Note 2).

Note 2:

Shareholders	Current Total	% of shares	% of voting rights
Jorma Jokela	12,022,991	55.34%	55.83%
Total free float, including:	9,513,759	43.79%	44.17%
1) Lemanik Holding S.A.	1,129,000	5.20%	5.24%
2) Board of Directors and Leadership Team	760,006	3.50%	3.53%
3) Other shareholders	7,624,753	35.10%	35.40%
Multitude AG*	187,210	0.86%	
Total	**21,723,960**	**100.00%**	**100.00%**

**Treasury shares held by Multitude AG (no voting right and no dividend paid on treasury shares).*

Credit Rating

The Issuer's long term issuer rating was affirmed by Fitch as B+ on 15 February 2024 while the short-term issuer default rating was affirmed as B of the same date. There has been no assessment by any independent rating agency of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. The Issuer will be undergoing a review of its rating in the near future. No assurance can be given by the Issuer that the rating issued by Fitch will not change as a result of such review.

Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.

Principal Activities of the Issuer

Business Overview

The Issuer is the regulatory backbone of the Multitude Group and offers secure and professional deposit and personal loan solutions as well as debt financing to companies with more than ten years of technical and regulatory banking experience as a digital bank.

The Multitude Group is a financial technology service organisation that develops and operates a big data based global financial platform for real time scoring, lending, and banking services. Multitude Group offers financial and banking services across its segments in a highly regulated field with significant barriers to entry across 16 countries. The backbone of the operations is the Issuer, which sources customer deposits, which are deployed in the consumer lending and corporate financing business. The Issuer operates two of the Multitude Group's three business units, the Consumer Banking unit, and Wholesale Banking unit; while the third unit – the SME Banking unit- is operated by CapitalBox AB, another subsidiary of Multitude AG under the Capital Box brand. The Issuer is an important vehicle for the Multitude Group's growth strategy.

The principal activities of the Issuer in the Consumer Banking business consist of the provision of consumer loans which are offered and distributed through online digital and mobile financial services technology. In the more recently introduced Wholesale Banking business the Issuer offers secured debt solutions and payments services to institutional clients.

Consumer Banking ferratum	Wholesale Banking MULTITUDE BANK

• Ferratum offers digital loans for the daily needs of consumers of up to EUR 12,000 with maturity periods of up to 84 months
• The main products are revolving credit lines and instalment loans
• end-to-end digital process allows a rapid application process that is concluded within minutes
• Operations since 2005
	• Wholesale Banking offers secured debt solutions for institutional clients across Europe:
	  • EUR 5-30 million
	  • Standard facility: 3y tenor
	  • Warehouse lines, Real Estate
	• Payments services for third-parties on own payment rails
	• Operations since 2022

€478.4 million Q3 2024 loan-book	**€112.9 million Q3 2024 loan-book**

Consumer Banking

At present, the Issuer offers three main consumer lending products: (i) Credit line product; (ii) Instalment loans; and (iii) Virtual credit card mainly under its Ferratum brand. All of the Issuer's consumer lending products are based on the principles of a fully digital set-up, high user convenience, real-time, paperless service.

The consumer loan products and services are primarily offered in Finland, Denmark, Croatia, Norway, Romania, Poland, Sweden, Germany, Czech Republic, Latvia, Estonia, and Slovenia.

Credit Line Product

The Issuer's credit line product is a revolving loan facility offered by the Issuer (similar to a typical over-draft facility but which does not require clients to maintain a current account with the Issuer), under which borrowers are required to effect a minimum repayment per month.

The credit limit for this type of lending product is around €2300, on average, with the maximum credit limit provided being up to €7 000, depending on the customer's creditworthiness and his/her jurisdiction of domicile.

Instalment Loans

Prime Loans: The Issuer's Prime loan product is intended for customers in need of amounts ranging from €2,000 to a maximum of €12,000 and longer-term unsecured financing arrangements, ranging from twelve months to a maximum of 84 months, mainly intended to fund personal expenditure.

Plus Loans: The Issuer's Plus loan product provides short to medium term financing arrangements, ranging from two to twenty four months. This product complements the Issuer's portfolio of lending products by allowing flexibility in respect of the amount, duration and number of instalments of the loan. The principal granted under plus loans generally varies between €200 to €4,000 and is repayable in multiple instalments, typically on a monthly basis.

Micro Loans: The micro loans offered by the Issuer are short-term loans granted in low amounts to private individuals to meet their short-term liquidity needs. The amounts of micro loans granted typically range between €50 to €1,000, with maturity typically being 30 days.

Virtual Credit Card

The Issuer's Virtual Credit Card is available through mobile wallets allowing customers to shop online with flexible payment options and a revolving credit facility.

In addition to the above consumer lending products, the Issuer also offers a guaranteed product in Bulgaria, whereby it acts as guarantor for consumer loans.

Wholesale Banking

Since 2022, the Issuer also offers the following Wholesale Banking services under the Multitude Bank brand:

(i) Secured Debt Financing Solutions; and

(ii) Payment Solutions for institutional clients and other fintech operators.

These newer business activities utilise the Issuer's growth platform elements, scalable deposit funding, collection and customer management proficiency, compliance framework, technology stack, cutting-edge data, and AI capabilities to effectively and quickly address customers' funding needs.

The Secured Debt Financing Solution provides non-bank lenders, real estate investors, and other customer segments with fast and digital access to credit of up to €30 million to support their business development projects and Environmental, Social and Governance (ESG) transformations.

The Payment Solution provides payment infrastructure services to other FinTechs, electronic money institutions, and midsize banks to support their core payment processes and payment rails, facilitate account services, and receive and send payments with multiple currencies.

SME Loans and Investments

In addition to its Consumer Banking and Wholesale Banking business, the Issuer also supports the growth of Multitude Group's SME lending business, CapitalBox, by investing in senior notes issued by an SPV, which in turn has acquired loan receivables from CapitalBox AB. The Capital Box business includes lending and factoring to corporate entities.

Funding; Deposit-taking Services

The Issuer is currently funded mainly through equity, deposit funding, and Tier 2 capital and has total assets of EUR 963.8 million as of 30 September 2024.

The Issuer's capitalisation as of 30 September 2024 is shown in the table below:

EUR million	As of 30 September 2024		Coupon	Maturity
	Actual	Pro Forma		
Cash	197.1	222.0		
Debt				
The Notes subject to this Offering Memorandum	-	25.0	3mE + [ ]%	10 years
Unsecured Euro Bonds 2032	4.9	4.9	6.00%	April 2032
Total Bonds Outstanding	**4.9**	**29.9**		
Total Shareholder's Equity	**155.9**	**155.9**		
Total Bonds + Shareholder's Equity	**160.8**	**185.8**		

The Issuer funds its activities primarily through customer deposits in Euro denominated savings and term deposit accounts. The deposit-taking activities are carried out in Germany, Finland, Latvia and Sweden.

As of 30 September 2024, retail deposits were raised mainly through two platforms:

CHECK24: 82.1% of the Issuer's retail deposit base was derived from its partnership with a deposit servicing platform launched in Germany by CHECK24 Finanzservice GmbH, a German domiciled company forming part of the CHECK24 Vergleichsportal GmbH group, Germany's leading comparison portal.

Issuer's Own Deposit Taking Portal: 17.9% of the Issuer's deposits were raised through the Issuer's own deposit taking platforms. The importance of the Issuer's own deposit platforms is expected to grow in the coming years as the Issuer continues to expand its offering in different countries.

Selected Financial Information and Key Performance Indicators

The following tables provide for an overview of selected financial data and key performance indicators of the Issuer. Certain of the key performance indicators set out below constitute Alternative Performance Measures and are intended to supplement investors' understanding of the Issuer's financial information by providing financial measures which investors, financial analysts and management use to help evaluate the

Issuer's operating performance and liquidity. Please also refer to the information in the section "*Notice – Alternative Performance Measures*" above.

Financial Information

Income Statement for the Period Ended 30 September (€000s)	2024	2023
Interest and Similar Income	144,197	125,399
Interest and Similar Expense	(23,340)	(10,147)
Net Interest Income	**120,857**	**115,193**
Fee and Commission Income	1,445	1,201
Fee and Commission Expense	(831)	(683)
Net Fee and Commission Expense	**614**	**518**
Net Trading Expense	**(1,109)**	**(1,614)**
Total Operating Income	**120,362**	**114,097**
Employee Compensation and Benefits	(6,876)	(6,545)
Other Operating Costs	(48,349)	(45,477)
Depreciation and Amortisation	(794)	(879)
Net Impairment Losses	(52,693)	(50,849)
Profit Before Tax	**11,650**	**10,347**
Tax Credit (Expense)	58	(856)
Total Comprehensive Income	**11,708**	**9,491**

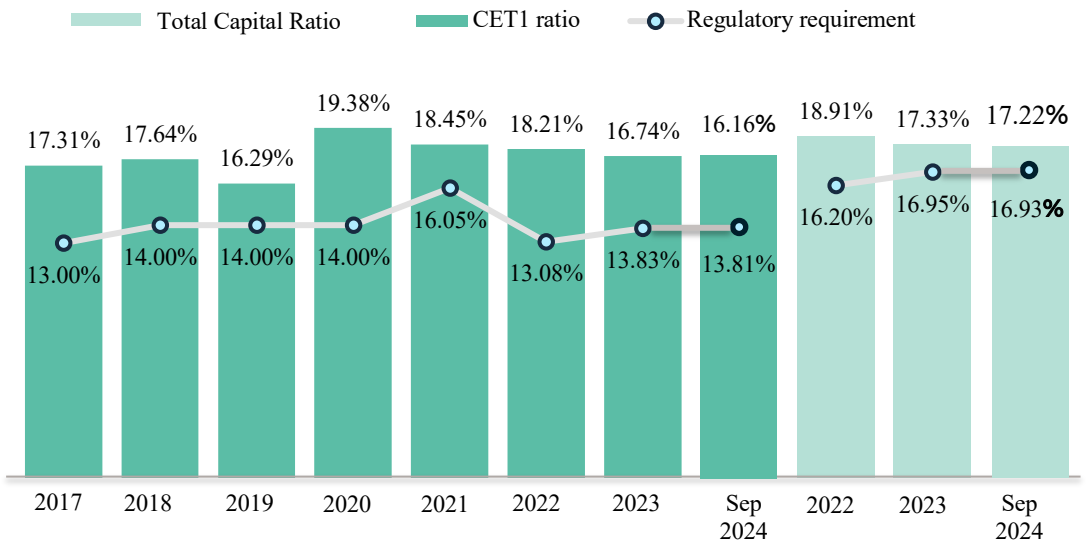
Balance Sheet (€000s)	30 September 2024	31 December 2023
Assets		
Balances with Central Banks	113,067	210,030
Loans and Advances to Banks	84,003	36,074
Loans and Advances to Customer	479,681	468,441
Loans and Advances to Group Companies	34,445	29,632
Derivative Financial Instruments	3,000	3,000
Investments	238,651	148,291
Right of Use Asset	1,655	644
Property & Equipment	244	253
Intangible Assets	1,082	1,285
Other Assets	7,931	11,419
Total Assets	**963,759**	**909,069**
Equity and Liabilities		
Equity		
Share Capital	10,000	10,000
Capital Contribution Reserve	120,500	78,500
Retained Earnings	25,399	48,691
Total Equity	**155,899**	**137,191**
Liabilities		
Amounts Owed to Customers	773,385	732,289
Borrowings from Group Undertakings	23,601	18,073
Derivative Financial Instruments	1,583	3,191
Debt Securities	4,905	4,915
Lease Liability	1,412	540
Other Liabilities	2,974	10,729
Current Tax Liabilities	-	2,141
Total Liabilities	**807,860**	**771,878**
Total Equity & Liabilities	**963,759**	**909,069**

Regulatory Capital

As of 30 September 2024, the Issuer's CET1 and Total Capital Ratio stands at 16.16% (regulatory requirement of 13.81%) and 17.22% (regulatory requirement of 16.93%), respectively. Following the Issuance of the Notes, the total capital ratio is expected to increase to approximately 19.92% (assuming an issue size of EUR 25 million), resulting in a buffer to the capital requirement ratio of approximately 3%.

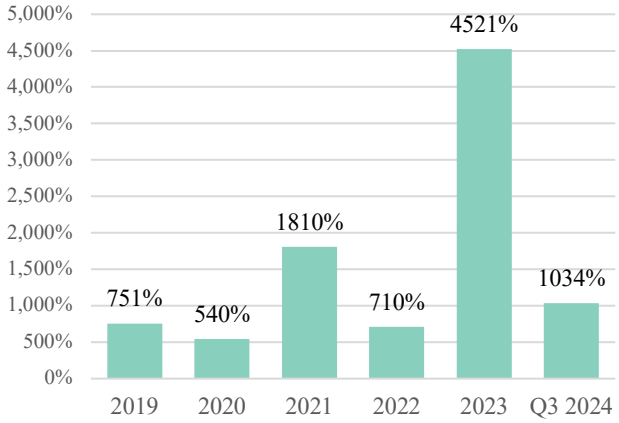
The development of the Issuer's regulatory capital ratios and other key metrics is shown in the tables below:

Capital Ratios

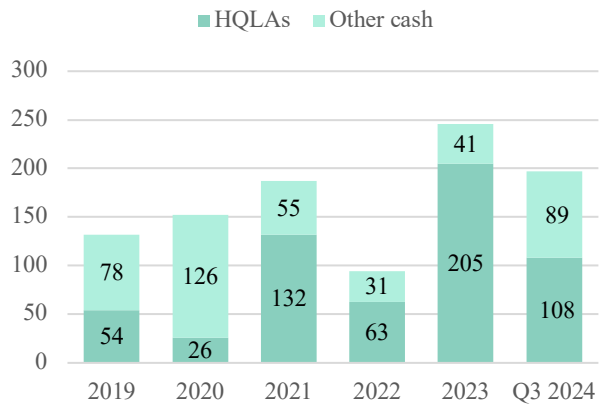


Similarly to capital requirement management, the Issuer has adopted a conservative approach for liquidity management. Historically, the Issuer has operated with significantly higher liquidity coverage ratios (LCRs) compared to the Issuer's own Risk Appetite Framework (RAF) trigger levels. HQLAs (High Quality Liquid Assets) predominantly consist of deposits with Central Banks. Moreover, the Issuer holds liquid cash with a number of reputable banking institutions.

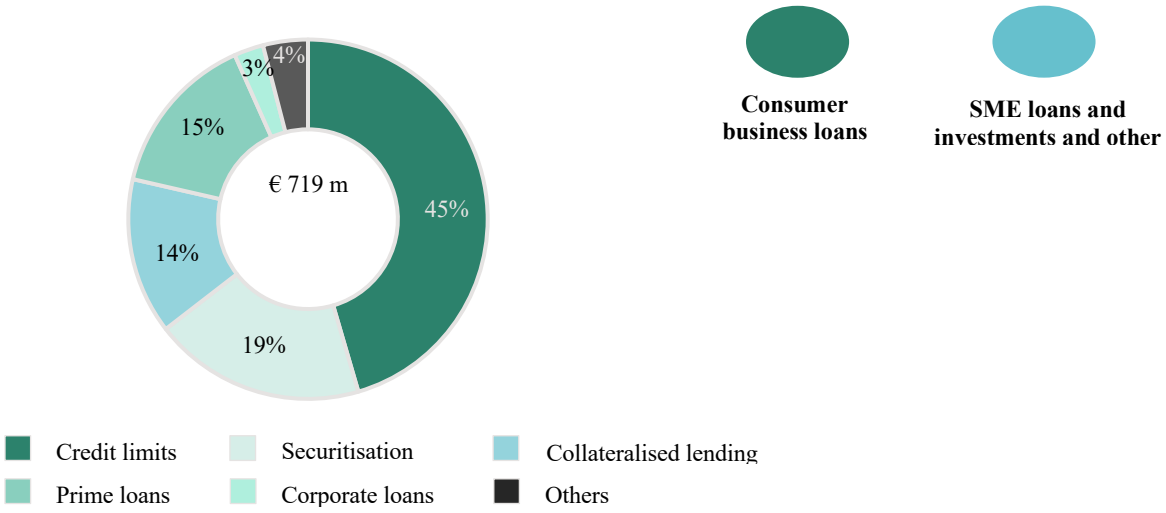
Liquidity Coverage Ratio (LCR) Development and RAF Triggers



Liquidity Position



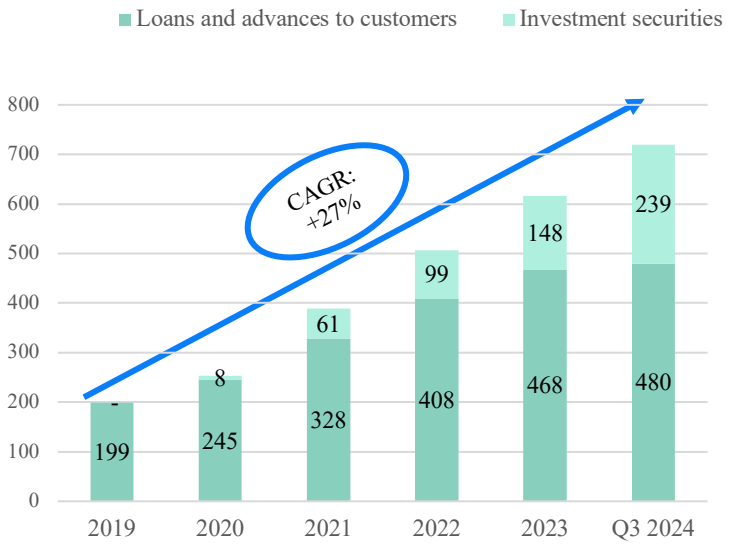
Loan Book



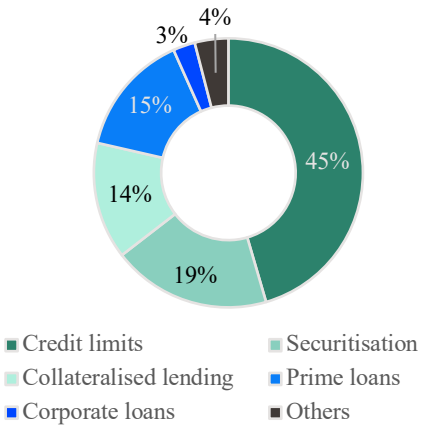
Credit Portfolio

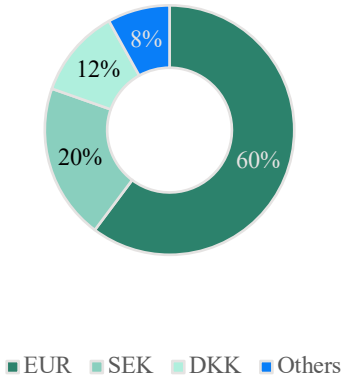
The Issuer has a diversified and growing credit portfolio with main geographical exprosure to the Nordics, Baltics and Germany which has driven stable growth. Loans and advances to customers have been growing consistently during the last several years. Currently, Credit limit is the Issuer's largest product. Credit cards are also expected to grow as a key product for the Issuer. In recent years the Issuer has increased its lending through securitisation (investments in securitised CapitalBox loan receivables) and debt securities (collateralised debt business in the form of warehouse debt financing agreements with external credit providers). The Issuer is well diversified geographically, with 65% of exposure from Northern and Western Europe and the remaining 35% from Eastern Europe (with Baltics accounting for the largest exposure in the segment). For currencies, the largest exposure is towards EUR, followed by SEK and DKK.

The table below shows the Issuer's lending and investments over the period from 2019 through 30 September 2024:



The charts below show the Issuer's product and currency split for the period ended 30 September 2024:

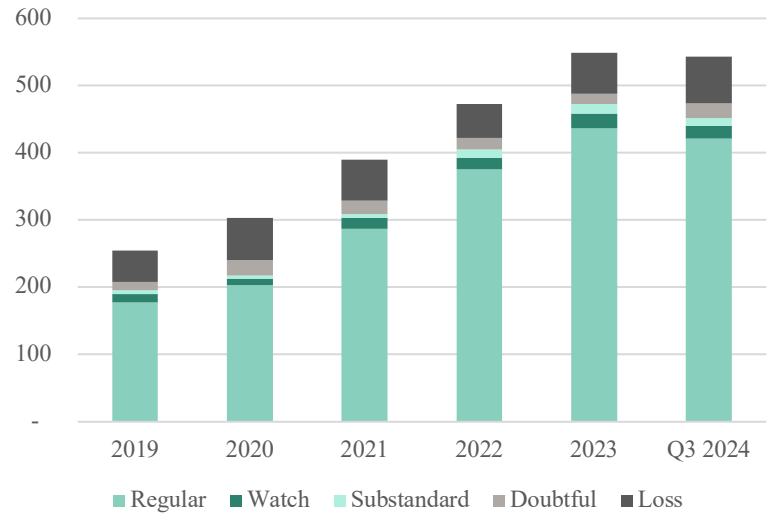




Asset Quality

The Issuer introduced tightening of credit origination protocols during 2020 as a reaction to the COVID-19 pandemic, which are reflected in the significantly improving asset quality. The share of non-performing loans (NPL) has come down close to 15 pp. since 2020 as a result of the implementation of the Issuer's NPL reduction plan, mainly focusing on the sales of consumer loans to third party collection agencies at agreed selling prices, both through forward flow agreements and one-off sales, as well as full provisioning of written-off exposures. Going forward the share of NPLs is expected to decrease in line with the NPL reduction plan, with set targets up until 2027.

Absolute levels of impairment losses have increased as the loan book has also increased. However, the asset quality measured by impairment losses to loans and advances to customers has steadily improved. Going forward the aim is for the ratio to stay at current levels or decrease slightly.

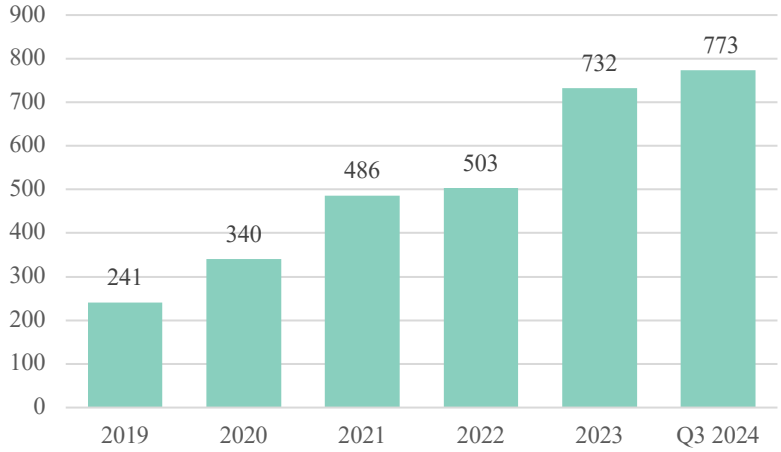


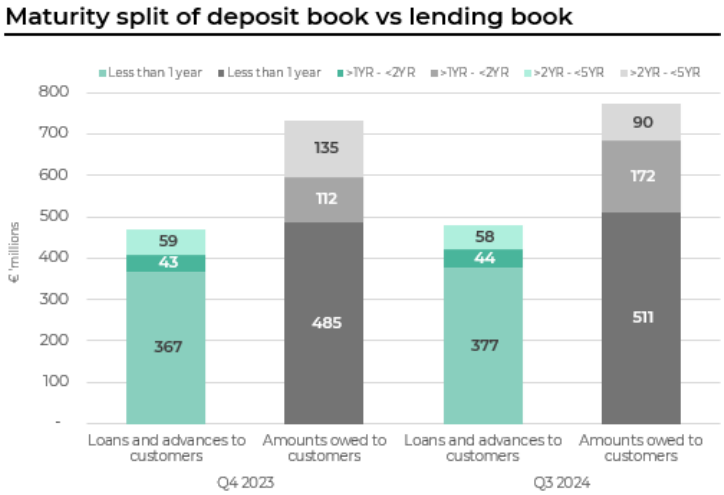
Deposits

The Bank managed its deposit funding from the German market very well and has successfully implemented its funding in SEK directly from the Swedish market. As at 30 September 2024, the Bank raised a total of €629mio (31 Dec 2023: €728mio) deposits from the German market and €132mio (31 Dec 2023 - €5mio) from the Swedish market.

The Bank carefully monitors and manages the residual maturity splits of its deposit funding according to the maturities within the lending portfolio.

Amounts Owed to Customers
(€m)





Material Agreements

The Issuer is not party to any material agreement that was not entered into in the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

Employees

As of 31 December 2024, the Issuer had 189 employees.

Related Party Transactions

The Issuer, while being an independent legal entity, is highly integrated with the broader Multitude Group.

All transactions are based on the arm's-length principle and an appropriate consideration is received for each transaction.

Risk Management

The Issuer's activities expose it to a variety of financial risks. The Issuer's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the entity's financial performance in line with the Issuer's risk appetite framework as approved by the Board of Directors. The Board of Directors oversees credit, market, funding and liquidity, operational and strategic business risks. The Issuer has developed an integrated risk management framework to identify, assess, manage and report risks.

The Board of Directors is responsible for the overall effectiveness of the risk management function carried out by the members of the Issuer's executive management team. The Board of Directors may delegate any of its powers to a Committee consisting, in most cases, of one or more directors. The Board establishes Committees in order to focus on specific risk areas and issues and consider certain issues and functions in greater detail. The Issuer's governance structure comprises three Board Committees, namely the Audit Committee, the Risk Committee, and the Nominations and Remuneration committee, as well as five management committees, namely the Asset Liability Management Committee (ALCO), the Executive Committee (EXCO), the Credit Committee, the Reserving Committee and the Investment Committee (see "*Governing Bodies of the Issuer-Board Committees*").

Specific responsibilities are delegated to each Board Committee in accordance with the applicable and approved charters, policies or terms of reference. The Board Committees report back on their work and on any matters of substance in the next Board of Directors meeting through the Chairman of each Committee.

In order to achieve effective risk management, the Issuer bases its governance structure on a 'three lines of defence' framework with well-defined lines of responsibility. The first line of defence has ownership of risk and manages the risks to which the Issuer is exposed through its business activities. The identification, measurement, monitoring and reporting of risks falls within the responsibilities of the second line of defence, while internal audit performs the role of the third line of defence by providing assurance to the Board of Directors that the Issuer's overall governance structure is effective.

The Issuer adopts a comprehensive risk management approach, which enables it to:

- Identify the nature and extent of risks that the Issuer is exposed to, in terms of credit, market, liquidity, operational, business and other risks (including ESG and reputational risk);
- Determine the level of risk which the board of directors is willing to accept in pursuit of its business strategy;
- Measure and monitor the level of risk to which the Issuer is exposed against these pre-established qualitative and quantitative thresholds; and
- Formulate required actions to ensure that business is aligned to the parameters set out by the board of directors.

In order to properly assess and continuously monitor risk management on an Issuer-wide basis, the Issuer's strategy takes into account, in conjunction with the current and forecasted level of assets and liabilities; operational processes in place; the staff complement available to the Issuer; available technology and other resources; and external factors.

The Issuer's Risk Management practices are embedded within its various functions. Risk considerations are incorporated in all business processes across the Issuer including the formulation of the business strategy, thereby enabling the Board of Directors, Board Committees and executive management to identify, assess, respond to and monitor evolutions in the Issuer's risk profile effectively and pro-actively. The Issuer's risk management policies are designed to identify and analyse risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems.

In order to implement its risk management framework, the Issuer has translated its objectives into a process cycle, which depends on the components outlined below. These components interact and operate together as an integrated whole to establish a solid and effective Risk Management Framework.

1. Risk Identification: This involves recognising and documenting potential risks that could impact the Issuer's operations and objectives.

2. Risk Appetite: This defines the level and type of risk the Issuer is willing to accept in pursuit of its goals. It sets the boundaries for risk-taking activities.

3. Risk Policy and Mitigation: This includes the development and implementation of policies and procedures to manage and mitigate identified risks. It ensures that there are clear guidelines on how to handle various risks.

4. Risk Assessment: This step involves evaluating the identified risks to determine their potential impact and likelihood. It helps prioritise risks based on their severity.

5. Risk Quantification: This involves measuring and quantifying risks to understand their potential financial impact. It provides a basis for making informed decisions about risk man-agement strategies.

Legal and Arbitration Proceedings

There have not been any governmental, or material legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during the twelve (12) months prior to the date of this Offering Memorandum, which may have or have had significant effects on the Issuer's financial position or profitability.

Recent Developments

The Issuer recently acquired a strategic 20.85% stake in Lea Bank AB, Sweden. The second step of the staggered transaction was subject to regulatory approval. The Issuer believes that Lea Bank represents a good strategic fit with its complementary product offerings and attractive financial return in terms of dividend yield and income from associated company. In addition, the acquisition creates opportunities for further strategic cooperation with referrals/product cooperations, cross-selling and potential use of payment infrastructure. After completion of the transaction, the Issuer is expected to become the largest shareholder of Lea Bank.

The Chief Executive Officer of the Issuer, Antti Kumpulainen, has been elected to also assume the role of the Chief Executive Officer of Multitude AG as of 1 January 2025 as the designated successor of Jorma Jokela, the current CEO of Multitude AG and the founder of the Multitude Group.

There are no recent developments particular to the Issuer which are to a material extent relevant to an evaluation of the solvency of the Issuer.

Outlook

The financial industry is in the midst of a surge in partnerships and collaborations with banking products and services being redesigned. Financial service companies are required to increase their service offering to boost their competitiveness. Traditional banks must determine the role they wish to play to ensure they can leverage their strengths. A seamless customer experience will be contingent upon banks understanding customers' needs, behaviours and individual journeys. Data will be strategically used to unlock new revenue, create value and boost insightful decision making. Fintech's typically differentiate through the wise use of data. Due to the emergence of fintech companies, the retail banking industry is rapidly embracing the mobile-centric customer experience.

The Issuer believes that it is well positioned in the evolving banking environment and that its commitment to digitalisation puts it in the forefront of competition.

The Issuer expects to continue to grow in the Consumer Banking business alongside the further development of its new Wholesale Banking division, including the secured debt financing as well as its range of accounts and payment services targeted towards other financial institutions and other entities. In addition, the Issuer is committed to expanding its own deposit taking platform into new countries and currencies to become the primary channel for its funding activities. Furthermore, as part of a restructuring exercise that is subject to the approval of the MFSA, the Multitude Group is working to transfer lending-related and other selected entities to the Issuer including shareholding in Capital Box AB, which would enable the Issuer to use funds from its deposit business to solidify the growth of the SME lending business.

The Issuer will continue to enter and operate only in stable and profitable markets with profitable products and to exit any non-profitable markets and/or products within a reasonable timeframe. With a view to this strategy, the Issuer closely monitors the possibility of entering into new profitable markets and expanding the product portfolio to enhance its business and financial growth.

Trend Information

There has been no material adverse change in the prospects of the Issuer since 30 September 2024.

There has been no significant change in the financial performance of the Issuer since 30 September 2024.

There has been no significant change in the financial position of the Issuer since 30 September 2024.

Governing Bodies of the Issuer

The Board of Directors of the Issuer

Under the Memorandum of the Issuer, the affairs of the Issuer are to be managed and administered by a Board of Directors consisting of not less than three (3) and not more than ten (10) in number. The Board of Directors of the Issuer is currently composed of nine (9) directors who are entrusted with the overall direction, administration and management of the Issuer.

As of the date of this Offering Memorandum, the Board of Directors is composed of the following persons:

Name	Date of birth	Member since	Position
Charles Borg	1961	2017	Independent, non-executive director; Chairman of the Board of Directors, member of the Remuneration and Nominations Committee
Jorma Olavi Jokela	1979	2012	Non-executive director; founder and majority shareholder of Multitude AG; member of the Remuneration and Nominations Committee
Lea Liigus	1972	2012	Non-executive director; Chief Legal and Compliance Officer of Multitude Group; member of the Risk Committee
Clemens Matthias Fritz Krause	1962	2018	Non-executive director; member in the Audit Committee, the Credit Committee, Chairman of the ALCO and Chairman of the Reserving Committee
Esa Tapani Teräväinen	1958	2012	Independent, non-executive director; Chairman of the Audit Committee
Erik Mikael Ferm	1966	2017	Independent, non-executive director; Chairman of the Risk Committee
Victor Alexander Denaro	1956	2018	Independent, non-executive director; Member of the Risk Committee
Antti Kumpulainen	1980	2023	Executive director; Chief Executive Officer of the Issuer since April 2021 and the CEO of Multitude AG as from 1 January 2025; member of the ALCO, the Credit Committee, the Reserving Committee, the Investment Committee and the Executive Committee

Executive Management

The Issuer's executive management team is comprised of the following persons:

Name	Date of birth	Position since	Position
Antti Kumpulainen	1980	2021	Chief Executive Officer
Isaac Degaetano	1993	2024	Money Laundering Reporting Officer (MLRO)
Patrick Buhagiar	1980	2012	Head of Legal & Compliance
Iveta Stoyanova	1970	2018	Head of Internal Audit
Louie Scicluna	1984	2018	Chief Risk Officer
Darko Popovic	1981	2022	Chief Operating Officer
Dario Azzopardi	1984	2022	Chief Banking Office and Deputy CEO
Kenneth Zammit	1976	2012	Chief Financial Officer
Alain Nydegger	1984	2024	Chief Investment Officer

Board Committees

The Board of Directors has established the following committees:

Audit Committee

The Board has delegated to the Audit Committee its oversight responsibilities for financial reporting, disclosures and the effectiveness of the Issuer's internal control systems.

The purpose of the Audit Committee is to oversee the integrity and quality of the Issuer's financial reporting process; the effectiveness of the internal audit function; monitoring of the Issuer's legal and ethical compliance; the monitoring of the qualifications, performance and independence of the Issuer's external auditors; and the quality of the Issuer's internal controls.

As at the date of this Offering Memorandum, the Audit Committee is composed of the following members: (i) Esa Tapani Teräväinen and (ii) Clemens Krause.

Risk Committee

The Board has appointed the Risk Committee to assist and advise it in its oversight responsibilities of the Risk Management function of the Issuer.

The purpose of the Risk Committee is:

(i) to oversee the policy and framework for risks to which the Issuer

may be exposed;

(ii) to monitor the risk management system across the Issuer, including a risk appetite framework, and for ensuring the effective implementation of all risk policies;

(iii) to help ensure that risk controls operating throughout the Issuer are in accordance with regulatory requirements and good practice, and for advising the Issuer on the co-ordination and prioritisation of risk management issues throughout the Issuer; and

(iv) that through its participation in the Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process suite of documents, the committee oversees the impact of the implementation of the strategies for capital and liquidity management as well as the reviewing of a number of possible stressed scenarios to assess how the Issuer's risk profile would react to external and internal events.

As at the date of this Offering Memorandum, the Risk Management Committee is composed of the following members: (i) Erik Ferm; (ii) Lea Liigus; and (iii) Victor Denaro.

Executive Committee (ExCo)

The Board has delegated to the Executive Committee its responsibility of the day-to-day management of the Issuer.

The purpose of the Executive Committee is to oversee the activities of the Issuer and its Management in the implementation of its strategy. The ExCo is also accountable for the soundness of the Issuer's lending portfolio and for the implementation of the Capital Requirements Directive (as transposed into the Maltese regulatory framework) and capital allocation decisions.

As at the date of this Offering Memorandum, the Executive Committee is composed of the following members: (i) Antti Kumpulainen; (ii) Dario Azzopardi; (iii) Darko Popovic; (iv) Kenneth Zammit; (v) Louie Scicluna; (vi) Patrick Buhagiar and (vii) Alain Nydegger.

ALCO

The Board has delegated to the ALCO its oversight responsibilities for the monitoring and management of the Issuer's liquidity risk, interest rate risk and capital adequacy positions.

The purpose of the ALCO is to ensure that the management of the Issuer is appropriately identifying, measuring, controlling, and monitoring the Issuer's liquidity risk, interest rate risk, and capital adequacy positions.

As at the date of this Offering Memorandum, the ALCO is composed of the following members: (i) Clemens Krause; (ii) Antti Kumpulainen; (iii) Kenneth Zammit; (iv) Louie Scicluna; and (v) Dario Azzopardi.

Credit Committee	The Board has delegated to the Credit Committee its oversight responsibilities of all aspects of credit risk management of the Issuer. The purpose of the Credit Committee is to ensure the effective management of the Issuer's credit portfolio through the implementation of sound and transparent credit scoring and decision-making processes around its various product lines. The Credit Committee is, inter alia, responsible to establish appropriate credit risk assessment practices and periodically review the appropriateness thereof. As at the date of this Offering Memorandum, the Credit Committee is composed of the following members: (i) Antti Kumpulainen; (ii) Louie Scicluna; (iii) Kenneth Zammit; (iv) Dario Azzopardi; and (v) Clemens Krause.
Reserving Committee	The Board has delegated to the Reserving Committee its oversight responsibilities for the monitoring and management of the Issuer's credit loss reserves. The Reserving Committee is primarily responsible for safeguarding the soundness of the valuation of the Issuer's lending portfolio. The purpose of the Reserving Committee is to ensure that the Issuer has appropriate credit practices, including an effective system of internal control, to determine adequate expected credit loss (ECL) allowances in accordance with IFRS 9, as well as the Issuer's stated policies. Additionally, the Reserving Committee is also responsible to ensure the Issuer's compliance with all the relevant supervisory guidance issued by the ECB, as well as, the banking rules issued by the MFSA, specifically banking rule 09. As at the date of this Offering Memorandum, the Reserving Committee is composed of the following members: (i) Clemens Krause; (ii) Bernd Egger; (iii) Kenneth Zammit; (iv) Louie Scicluna; (v) and Antti Kumpulainen.
Investment Committee	The Board has delegated to the Investment Committee its oversight responsibilities for the Bank's portfolio of investments. The purpose of the Investment Committee is to assure that the Management of the Bank is appropriately evaluating potential new investments, whilst continuing to control and monitor existing investments, through the implementation of sound and transparent decision-making processes. As at the date of this Offering Memorandum, the Investment Committee is composed of the following members: (i) Antti Kumpulainen; (ii) Alain Nydegger; (iii) Dario Azzopardi; (iv) Louie Scicluna; and (v) Kenneth Zammit.
Remuneration and Nominations Committee	The Remuneration and Nominations Committee of the Issuer determines the remuneration policy, which is applicable to the Issuer's employees, as well as that applicable to 'identified staff' (that is staff whose professional activities have a material impact on the Issuer's

risk profile). The Remuneration and Nominations Committee has access to external consultants on remuneration matters and also calls on in-house expertise in compliance, finance, risk and HR. As an ancillary matter to its functions, while the Remuneration and Nominations Committee does not consider candidates for appointment to the board of directors of the Issuer, the committee also considers candidates proposed for senior management positions prior to their appointment.

As at the date of this Offering Memorandum, the Remuneration and Nominations Committee is composed of the following members: (i) Charles Borg; and (ii) Jorma Jokela.

Potential Conflicts of Interest

As at the date of this Offering Memorandum, the Issuer has identified that the following roles may give rise to conflicts of interest:

(i) Jorma Jolavi Jokela, Clemens Matthias Fritz Krause and Lea Liigus are directors and officers of the Issuer as well as directors of Ferratum (Malta) Holding Limited;

(ii) Lea Liigus and Jorma Jolavi Jokela are Directors of Multitude AG, Lea Liigus is also the minority shareholder of Multitude AG and chief legal and compliance officer of the Multitude Group, while Jorma Jolavi Jokela is the majority shareholder of Multitude AG

(iii) Jorma Jolavi Jokela is a director of Ferratum Capital Oy, a subsidiary of Multitude AG while Lea Liigus is a member of the management board of Ferratum Capital Oy;

(iv) Clemens Matthias Fritz Krause is the managing director of Pactum Collections GmbH;

(v) Antti Kumpulainen , as from 1 January 2025, also acts as CEO of Multitude AG;

(vi) Jorma Jolavi Jokela is also the sole shareholder, company secretary and a director of JT Capital Limited and Jokela Capital OÜ, both shareholders of Multitude AG

The Issuer is a party to a number of intragroup agreements with entities within its Group, which, albeit negotiated and entered into on an arms' length basis, may be construed as giving rise to a conflict.

Save as disclosed above, the directors are not aware of any potential conflicts of interest which could relate to their roles within the Issuer or the Group.

Regulatory Environment

Banking Regulatory Framework

The CRD/CRR Packages

The CRD IV Package was issued in 2013 to implement into EU law the majority of the international standards agreed by the Basel Committee on Banking Supervision (BCBS), known as the Basel III framework. The CRD IV Package is comprised of an EU Directive (Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (CRD IV)) governing the access to banking activities and an EU Regulation (CRR) establishing the prudential requirements that institutions need to respect. The CRD IV Package impacted the prudential regulatory regime applicable to banks with effect from 1 January 2014 through

requirements including increased minimum levels of capital and additional minimum capital buffers, amongst others.

The CRD IV Package was amended through the CRD V Package, published in the Official Journal of the EU on 7 June 2019 and consists of an additional EU Regulation (Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, amongst others (CRR II)) and an EU Directive (Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 EU amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration and supervisory measures and powers, amongst others (CRD V)).

The CRD VI Package was published in the Official Journal on 19 June 2024 and introduced changes to the CRD (through a Directive (Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 (CRD VI)), and the CRR (through a Regulation (Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR III)). The CRD VI Package also introduced changes to the CRR and BRRD in the area of resolution (Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 (the so-called Daisy Chain Regulation), which was published in the Official Journal on 25 October 2022). The CRR III will generally be applicable from 1 January 2025, with some exceptions in respect of provisions that became applicable as of 9 July 2024 and other transitional arrangements delaying the application of other provisions to January 2025. The deadline imposed on Member States to transpose the provisions of the CRD VI is 10 January 2026 and measures transposing such provisions into national law will become applicable from 11 January 2026.

The CRD VI Package revisions are aimed at implementing the remaining elements of the BCBS international standards (whilst introducing additional regulatory changes applicable to EU banks beyond the BCBS standards) and at enabling EU banks to become more resilient to potential future economic shocks. The CRD VI Package introduces key adjustments to the current standardised approach for credit risk in ensuring it is sufficiently risk sensitive in several areas, the inclusion of the fundamental review of the trading book in respect of market risk, the introduction of a new standardised measurement approach for measuring the minimum capital requirements for operational risk and the enhancement of the legislative provisions surrounding environmental, social and governance (ESG) requirements.

BRRD and SRMR

The BRRD was published in the Official Journal of the EU on 12 June 2014 and came into force on 2 July 2014. The SRMR, which complements the BRRD, subsequently entered into force on the 19 August 2016. The BRRD establishes a legal regime which requires entities to prepare recovery plans and resolution authorities to prepare resolution plans and provides competent authorities with early intervention powers to intervene sufficiently early and quickly in an unsound or failing institution. The BRRD also gives resolution authorities powers and tools to ensure the continuity of critical functions, to safeguard the resolution objectives and to manage the failure of an institution in an orderly manner if deemed to be in the public interest.

The SRB is the central resolution authority within the banking union. Together with the NRAs, it forms the SRM. The NRAs are the resolution authorities of the participating Member States of the banking union, which are empowered to exercise resolution powers over banks within their own remit and, implementing the resolution scheme adopted by the SRB, in relation to banks within the SRB's remit. The SRB and the NRAs cooperate closely with each other within the SRM and exercise their respective powers and tasks in terms of the provisions of the SRMR.

Normal insolvency proceedings are the default outcome in the event of a bank failure, unless the resolution authorities consider that resolution action is feasible and credible in the circumstances. Before deciding whether or not to take resolution action, a Public Interest Assessment (PIA) needs to be carried out by the resolution authorities in order to analyse the feasibility of winding up a bank under normal insolvency proceedings as well as to assess the feasibility of any foreseen resolution action.

The BRRD was amended in 2016 by way of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (BRRD II) (which entered into force on 28 December 2020). The BRRD II aims to enhance the framework for bank resolution by, among other things, adjusting the MREL requirements of resolution entities and subsidiaries to align it with the Total loss Absorbing Capacity (TLAC) standard. The more stringent new rules aim to increase the bail-inable capital available in case of a bank resolution, thus improving resolvability and consequently reducing the risk of public funds being used for bank resolutions.

The R&R Regulations transpose into Maltese law the provisions of the BRRD, as amended by BRRD II. Pursuant to article 7B of the MFSA Act, the Board of Governors of the MFSA acts as the Resolution Authority for the purposes of article 3 of the BRRD. The Resolution Authority has appointed a Resolution Committee which shall have all the powers assigned to the Resolution Authority under the BRRD and whose composition, powers and functions are governed by provisions set out in the First Schedule to the MFSA Act and the R&R Regulations. In certain instances, the Resolution Committee needs to work hand in hand with the SRB. The SRB assesses, in cooperation with the NRAs, the resolvability of banks and drafts resolution plans for banks falling under its direct supervision.

The SRB is responsible for the resolution of systemically important institutions and the relative NRA would be entrusted with the implementation of the resolution scheme adopted by the SRB. In the case of banks falling under the direct supervision of the NRAs, the latter would be responsible for the resolution of the bank in question. In the case of credit institutions that meet the applicable conditions for resolution, the SRB or the Resolution Committee, as the case may be, has the following tools available at its disposal:

i) the sale of business tool: enabling the SRB or the Resolution Committee, as the case may be, to affect a sale of the whole or part of the business;

ii) the bridge institution tool: providing for a temporary bridge institution to continue to provide essential services to clients of the institution under resolution;

iii) the asset separation tool: enabling the transfer of 'bad' assets to a separate asset management vehicle. This tool can only be used in conjunction with any other tool; and

iv) the bail-in tool: ensuring that most unsecured creditors bear losses and bail-in the institution under resolution.

The BRRD, as amended by BRRD II, specifies that where the SRB or the Resolution Committee, as the case may be, determines that a credit institution meets the relevant conditions for resolution, but a resolution action would not be in the public interest, then such credit institution shall be wound up in an orderly manner in accordance with the applicable national insolvency proceedings.

The SRB or the Resolution Committee, as the case may be, must exercise the power to write down and convert shares and other capital instruments and eligible liabilities immediately before or together with the application of a resolution tool if such resolution tool would result in losses being borne by creditors or their claims being converted. The power to write down or convert capital instruments and eligible liabilities may be exercised by the SRB or the Resolution Committee, as the case may be, either: (i) independently of resolution action; or (ii) in combination with a resolution action, where the conditions for resolution are met. Regulation 34 of the R&R Regulations sets out a number of general principles which are applicable when applying such resolution tools and exercising such resolution powers, including that (i) the shareholders of the institution under resolution bear first losses and (ii) the creditors of the institution under resolution bear losses after the shareholders in accordance with the order of priority of their claims under normal insolvency proceedings, save as expressly provided otherwise in the R&R Regulations. The SRB or the Resolution Committee, as the case may be, has very wide powers as necessary to apply the above-mentioned resolution tools, including the power to take control of an institution under resolution and exercise all the rights and powers conferred upon the shareholders, other owners and the board of directors of the

institution under resolution and the power to transfer shares or other instruments of ownership issued by an institution under resolution, amongst others.

The European Commission presented further amendments to the BRRD and the CRR through its Daisy Chain Regulation proposal on 28 October 2021 mentioned above. The Daisy Chain Regulation was published on the Official Journal on 25 October 2022, introducing targeted adjustments that aim to improve the resolvability of banks as of 14 November 2022. The amendments to the BRRD within the Daisy Chain Regulation in relation to MREL instruments have been transposed in the R&R Regulations by way of Legal Notice 129 of 2024, namely, the Recovery and Resolution (Amendment) Regulations, 2024.

Furthermore, on 18 April 2023, the European Commission published another set of legislative proposals to amend the EU framework on credit institutions' crisis management and deposit insurance (CMDI), including proposals to amend the BRRD and the SRMR. This package focuses on improving the effectiveness of the resolution tools for the purposes of managing small and medium-sized credit institutions that are failing or likely to fail so as to ensure that resolution is a viable solution and an easily accessible alternative to national insolvency proceedings. The final CMDI legislative changes are yet to be finalised as at the date of this Offering Memorandum.

Depositor Compensation

The Depositor Compensation Scheme Regulations (Subsidiary Legislation 371.09 of the laws of Malta, (DCSR) require that each Maltese credit institution participates in the Depositor Compensation Scheme (DCS), which collects and administers the contributions of the member credit institutions, such as the Bank, and settles any compensation claims of depositors in accordance with the DCSR.

Under the DCSR, the DCS is liable for obligations resulting from deposits denominated in any currency in an amount of up to €100,000 per depositor and credit institution, subject to such deposits being classified as 'eligible deposits' under the DCSR. Contributions and commitments made to the DCS by Maltese credit institutions are also governed by Banking Rule 18 of 2016, 'Risk-Based Method' and the 'Compensation Contribution Method' under the Depositor Compensation Scheme Regulations, and Banking Rule 19 of 2016, Banking Rule on 'Payment Commitment' under the Depositor Compensation Scheme Regulations.

On 24 November 2015, the European Commission proposed a regulation to establish a European Deposit Insurance Scheme (EDIS) for deposits of all credit institutions which are members of any of the current national statutory depositor compensation schemes of EU Member States participating in the Banking Union. The EDIS remains at proposal stage as at the date of this Prospectus.

The European Commission's CMDI package proposing amendments relating to banks' crisis management also amends the framework relating to depositor compensation by proposing amendments to Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast), which is transposed locally through the DCSR. The Commission's proposal incorporates a number of changes, including amendments relating to the manner in and priority with which a failed bank's creditors and depositors are repaid their assets in case the bank is insolvent and subsequently wound up.

Consumer Credit Regulation

In the offering of any consumer credit products, the Issuer is required to comply with the Consumer Credit Regulations (Subsidiary Legislation 378.12) (CCR) which, amongst others, transpose the provisions of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers (the EU Consumer Credit Directive). The CCR include, amongst others, obligations relating to making available pre-contractual information to prospective borrowers, mandatory information to be included in the credit agreement and the rights of borrowers during the subsistence of a credit agreement. The mandatory disclosures include those related to a standardised annual percentage rate (APR) figure for all consumer credit products.

A new Directive (Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023) on consumer credits repealing the EU Consumer Credit Directive (the EU Consumer Credit Directive 2) was adopted on 18 October 2023. Member States are required adopt the provisions of the EU Consumer Credit Directive 2 by 20 November 2025 into national law and apply them as from 20 November 2026. A new Rulebook for Credit Institutions Offering Retail Products and Services (Conduct of Business Rulebook) is expected to be published by the MFSA in the near future.

Payment Services Directive

Directive (EU) 2015/2366 on payment services in the internal market (PSD II) entered into force in January 2016 and this was transposed into local legislation on 13 January 2018 by means of Central Bank of Malta (CBM) Directive No. 1 (repealing the previous CBM Directive no. 1). PSD II seeks to enhance consumer protection when effecting online payments, whilst at the same time promoting the use of innovative online and mobile payment solutions.

On 28 June 2023, a proposal for a new Payment Services and Electronic Money Services Directive (PSD III) and a proposal for a new Payment Services Regulation (PSR) were published, revising PSD II (the proposed PSD III and the proposed PSD are referred to as the Payment Services Package). The proposed Payment Services Package is targeted at updating and modernising legislation on payment services, addressing the safe and secure access to electronic payment transactions by consumers within the EU, whilst also aiming to provide a greater choice of payment service providers on the market. The Commission inter alia proposes to amend the rules on strong customer authentication to strengthen this feature and ensure it is widely accessible, increase transparency regarding certain payments, in particular ATM withdrawal charges and charges for payments to institutions established outside of the EU, and changes to consumer refund rights in the event of fraud and scams. The Payment Services Package remains at proposal stage as at the date of this Offering Memorandum.

Financial Markets Regulation

As an issuer of securities listed on the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange by-laws (Official List) is also subject to an array of financial markets legislation, such as the Capital Markets Rules issued by the MFSA in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) (Capital Markets Rules), Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004(Transparency Directive) (which is mainly transposed in the Capital Markets Rules), and Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 (Market Abuse Regulation). All these laws are designed to ensure transparency on the financial markets and enhance investor confidence.

The MFSA, in its capacity as the competent authority in terms of the Financial Markets Act, supervises the Issuer in relation to its compliance with the Capital Markets Rules and all other financial markets legislation to which the Issuer is subject. The MFSA has extensive supervisory and investigatory powers, including the ability to issue requests for information, to conduct regulatory investigations and on-site inspections, to impose monetary and other sanctions, or to suspend the trading of the securities of the Issuer. The Issuer, in relation to all European securities laws applicable to it, is also subject to various technical standards, guidelines and recommendations developed by the European Securities and Markets Authority (ESMA) and which are also followed and enforced by the Competent Authority in its supervision of the Issuer and other listed entities.

Capital Markets Rules and Transparency Directive

As an issuer of securities listed on the Official List, the Issuer is subject to the Capital Markets Rules which, apart from setting out various rules regarding applications for admissions to listing, also set out various continuing obligations which issuers such as the Issuer must observe for as long as their securities remain listed on the Official List. These continuing obligations are set out in chapter 5 of the Capital Markets Rules,

which chapter transposes the relevant provisions of the Transparency Directive as well as Commission Directive 2007/14/EC.

The principle continuing obligations to which the Issuer is subject in terms of the Capital Markets Rules, as well as the Transparency Directive, are (i) the obligation to publish annual and half-yearly financial statements, together with the necessary directors' and/ or auditors' reports, and (ii) the obligation to publicly disclose certain key information relating to the Issuer and its listed securities, as and when such information arises.

Market Abuse Regulation

Given that the Issuer has bonds listed on a regulated market, the Issuer and its officers, as well as anybody who deals in the Issuer's securities is already subject to the prohibitions and obligations set out in the Market Abuse Regulation. In this respect, the Market Abuse Regulation prohibits (i) insider dealing, (ii) the unlawful disclosure of inside information, and (iii) market manipulation, which collectively constitute 'market abuse'. Furthermore, the Market Abuse Regulation requires the Issuer to (a) publicly disclose inside information as soon as possible, and (b) draw up a list of all persons who have access to inside information and who are working for it under a contract of employment, or otherwise performing tasks through which they have access to inside information. Furthermore, certain categories of the Issuer's employees who are considered to be persons discharging managerial responsibility (e.g., the Board and other senior officials) as well as persons connected to them (such as their spouses), are required to notify the Issuer, as well as the MFSA, of any transaction/s in the Issuer's listed securities within three business days of the transaction.

Other Regulation

Prevention of Money Laundering and Funding of Terrorism

The Issuer is subject to the regime aimed at preventing money laundering and the funding of terrorism, contained mainly in the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta), the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01) (PMLFTR), the Criminal Code (Chapter 9 of the laws of Malta), the Implementing Procedures issued by the FIAU in terms of the PMLFTR and the National Interest (Enabling Powers) Act (Chapter 365 of the laws of Malta). Collectively, these rules and regulations aim to implement the EU Directives on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

These rules and regulations require, among others, the Issuer to adequately identify and verify customers and ultimate beneficial owners where applicable, through rigorous identification and verification procedures, subject to adopting a risk-based approach, conduct customer due diligence (including sanctions and politically exposed persons screening), maintaining up-to-date customer records, and to design, implement and review internal controls, processes, procedures and policies for the ongoing monitoring and evaluation of customers and the risks associated with establishing and maintaining relations with its customers. In addition, the Issuer is required to comply with its obligation to detect and report suspicious transactions and other activities to the relevant competent authority.

On the 19 June 2024, the AML/CFT legislative package was published in the Official Journal of the EU. This package comprises of: (i) Regulation (EU) 2024/1624 (the AML/CFT Regulation (AMLR)); (ii) Regulation (EU) 2024/1620 (the AMLA Regulation (AMLAR)) and (iii) Directive (EU) 2024/1640 (the 6th AML Directive (AMLDVI).

The AMLR harmonises AML rules and requirements and aims to increase transparency on beneficial ownership for legal entities, trusts and other arrangements, whilst minimising the misuse of anonymous financial instruments. Amongst others, the AMLR extends the list of 'obliged entities', lowers the threshold which triggers customer due diligence for occasional transactions and imposes additional enhanced due diligence requirements. These changes will apply from 10 July 2027, with some exceptions.

The AMLAR establishes the Anti-Money Laundering Authority (AMLA), ensuring effective enforcement of the EU's rules on fighting money laundering and the financing of terrorism. The AMLA will have direct supervision on high-risk obliged entities in the financial sector, oversight on the non-financial sector, coordination and harmonisation responsibilities in respect of financial intelligence units (FIUs) across the EU and the role of issuing technical standards, guidance notes, recommendations and opinions. The AMLAR will apply from 1 July 2025, with certain provisions becoming applicable earlier, on the 26 June 2024.

The AMLDVI repeals the previous directive (the 4th AML Directive) and imposes on Member States requirements to conduct national risk assessments every four years and set up systems providing a single-access point for information, namely central beneficial ownership registers, bank account information registers and real-estate registers. Furthermore, the AMLDVI provides for powers to national FIUs to issue penalties and suspend or withhold consent for transactions, amongst other powers. The deadline for Member States to transpose the AMLDVI is 10 July 2027.

Data Protection

The GDPR came into full effect from 25 May 2018 and replaced the previous EU Directive 95/46 EC.

The GDPR applies to all controller (such as banks) established in the European Union or who otherwise (i) offer goods or services, or (ii) monitor the behaviour to/of natural persons within the EU. As an EU Regulation, the GDPR is directly applicable into Maltese law without the need for local transposition.

On 28 May 2018, Malta enacted the Data Protection Act (Chapter 586 of the laws of Malta), which replaced the previous Data Protection Act (Chapter 440 of the laws of Malta) and was used to further specify certain provisions of the GDPR. The GDPR introduced increased obligations on controllers as to how they can process personal data and strengthened the rights of data subjects. The requirements established by these laws affect the Issuer's ability to collect, handle, store, retain, share, consult and use (collectively, "process") personal data, and transfer data to countries outside of the EU and the EEA (particularly in relation to those non-EEA countries which have not yet been recognised as offering an adequate level of data protection under their laws).

The GDPR also requires controllers to demonstrate and record their compliance with the GDPR (including by means of appropriate documentation), as well as to notify personal data breaches to their competent data protection supervisory authority (which, in case of Malta, would be the Information and Data Protection Commissioner) without undue delay (within 72 hours from becoming aware of the breach) and, in certain cases, to the individuals whose data has been impacted by the breach. Various other compliance obligations arise for controllers under the GDPR, including in relation to data protection impact assessments, data subject rights, the use of adequate technical and organisational measures, the conditions on which processors may be engaged, ensuring data protection by design and by default within their organisation.

The GDPR, as supplemented by the revised Maltese Data Protection Act, also provide for separate tiers of administrative fines in the event of an infringement (amongst other corrective powers available to supervisory authorities). The amounts that are contemplated by these tiers are significant and sizeable, but they also represent maximum limits, and the imposition of a fine is not an automatic consequence for non-compliance. The Information and Data Protection Commissioner may at its discretion utilise other corrective measures, if considered by it to be more proportionate and appropriate in the circumstances. Furthermore, guidelines issued by the European Data Protection Board, the designated EU body in charge of the application of the GDPR, also identify a list of criteria which supervisory authorities such as the Information and Data Protection Commission should take into account when investigating an alleged infringement and considering whether to impose an administrative fine, including, amongst others, the nature, the risk, severity and the duration of the infringement. Criminal penalties are also envisaged in certain exceptional and particularly severe cases set out at law, such as where a person does not comply with any lawful request pursuant to an investigation by the Information Data Protection Commissioner.

TAXATION WARNING

The tax legislation of the state of residence of a prospective purchaser of Notes and of the Issuer's country of incorporation may have an impact on the income received from the Notes.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes.

SUBSCRIPTION AND SALE OF THE NOTES

Subscription by the Placement Agent

The Placement Agent will enter into a subscription agreement with the Issuer (the "**Subscription Agreement**") in which it agrees to subscribe for the Notes on a best efforts basis. The Placement Agent will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. The Issuer will agree in the Subscription Agreement to indemnify the Placement Agent against certain liabilities in connection with the Issue and sale of the Notes. The Issuer has furthermore agreed to pay certain fees to the Placement Agent in connection with the offering, placement, and subscription of the Notes.

The Placement Agent or its respective affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Placement Agent or its respective affiliates have received or will receive customary fees and commissions. In addition, the Placement Agent or its respective affiliates may be involved in financing initiatives relating to the Issuer or its affiliates. Furthermore, in the ordinary course of its business activities, the Placement Agent and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Placement Agent or its respective affiliates may have a lending relationship with the Issuer and/or its affiliates, routinely hedge their credit exposure to the Issuer and its affiliates consistent with its customary risk management policies. Typically, the Placement Agent and its respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's or its affiliates' securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Placement Agent and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

Neither the Issuer nor the Placement Agent has made any representation that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

The Placement Agent has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells, or delivers Notes or has in its possession or distributes any offering material relating to them.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (the "**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Placement Agent has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

The Placement Agent has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

1. a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or

2. a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Placement Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

1. a retail client, as defined in point (8) of Article 2 EUWA; or

2. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

The Placement Agent has represented, warranted and agreed that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by him in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by him in relation to the Notes in, from or otherwise involving the UK.

Canada

The Placement Agent has acknowledged that no prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes, the Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed this Offering Memorandum or the merits of the Notes and any representation to the contrary is an offence.

The Placement Agent has represented, warranted and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

(a) any offer or sale of the Notes in Canada will be made only to purchasers that are "accredited investors" (as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario)), that are also "permitted clients" (as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Notes as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

(b) it is either (I) appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Notes, (II) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (III) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and

(c) it has not and will not distribute or deliver any "offering memorandum" (as defined in relevant Canadian securities laws) in connection with any offering of the Notes in Canada or to a resident of Canada except in compliance with applicable Canadian securities laws.

GENERAL INFORMATION

Interest of Natural and Legal Persons Involved in the Issue

The Placement Agent and its affiliates may be customers of, borrowers from, or creditors of the Issuer and/or its affiliates. In addition, the Placement Agent and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.

Authorisations

The Issue by the Issuer has been authorised by a resolution by the Board of Directors of the Issuer dated 24 January 2025.

Clearing Systems

Payments and transfers of the Notes will be settled through Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany.

The Notes have the following securities codes:

ISIN: DE000A4D58U2

German Securities Code (WKN): A4D58U

Eurosystem Eligibility

The Notes are intended to be held in a manner which would allow Eurosystem eligibility. This does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

Listing

Application will be made to list the Notes on the Open Market segment (*Freiverkehr*) of the Frankfurt Stock Exchange. The Open Market is not a regulated market for the purposes of MiFID II.

Rating

The Notes have not been rated.

Documents on Display

This Offering Memorandum and the documents incorporated by reference herein will be available in electronic form on the website of the Issuer. A copy of the Memorandum and the Articles of Association of the Issuer in force as of the date of this Offering Memorandum will be provided (free of charge) by the Issuer in electronic or, if required, in physical form, to any Noteholder upon request.

Third Party Information

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to him from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor the Placement Agent has independently verified any such information and neither the Issuer nor the Placement Agent accepts any responsibility for the accuracy thereof.

DOCUMENTS INCORPORATED BY REFERENCE

Condensed Interim Financial Statements of the Issuer as of and for the period ended 30 September 2024 (unaudited)

Condensed Interim Financial Statements of the Issuer as of and for the period ended 30 June 2024 (reviewed)

Annual Financial Statements of the Issuer as of and for the period ended 31 December 2023 (audited)

Annual Financial Statements of the Issuer as of and for the period ended 31 December 2022 (audited)