

FINAL TERMS OF THE BONDS

29 November 2021

AS INBANK

Issue of EUR 12,000,000 Tier 2 Subordinated Bonds

under the EUR 35,000,000 Bond Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 2 Subordinated Bonds. This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with such Terms and with the base prospectus drawn up by the Company, dated 29 November 2021 (the "**Prospectus**"). Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and the Prospectus. The Prospectus is available for viewing through the Company's website (<https://inbank.ee/en/investor/bonds>).

A summary of this series has been appended to these Final Terms. The Final Terms have been approved by a decision of the Company's Management Board of 29 November 2021. The Final Terms have been filed with the EFSA but are not subject to approval proceedings.

1.	Issuer	AS Inbank
2.	Number of series	1
3.	Aggregate Nominal Amount of the Series	EUR 12,000,000. The Aggregate Nominal Amount of the series may be increased by the Company up to EUR 18,000,000 until the Issue Date
4.	Issue currency	EUR
5.	Nominal Amount	EUR 1,000
6.	Issue Price	100% of the original Nominal Amount
7.	Issue Date and Interest Commencement Date	15 December 2021
8.	Maturity Date	15 December 2031
9.	Redemption/Payment Basis	Redemption at par
10.	Interest	
	i. Calculation basis	Fixed interest
	ii. Interest Payment Dates	28 March, 28 June, 28 September and 28 December annually, except for 2021
	iii. Interest Rate	5.5% <i>per annum</i>
	iv. Interest calculation method	30/360
	v. Rate of delay interest	0.025% per day
11.	Yield	5.5% <i>per annum</i> . Yield is calculated based on the Nominal Amount and on the Issue Date. Actual yield may differ

		depending on the price paid for a specific bond by an investor
12.	Subscription Period	30 November 2021 at 10:00 – 9 December 2021 at 16:00 (GMT+2)
13.	ISIN code	EE3300002302
14.	Listing and admission to trading	Application will be made to the Nasdaq Tallinn Stock Exchange for the Bonds to be admitted to the Baltic Bond List of the Nasdaq Tallinn Stock Exchange

Signed on behalf of AS Inbank

/signed electronically/

Jaanus Kõusaar

Date: 29 November 2021



SUMMARY

Introduction and warnings

This Summary (the **Summary**) is a brief overview of the information disclosed in the Prospectus, dated 29 November 2021, on the public offering (the **Offering**) of up to 35,000 subordinated bonds (the **Bonds**) of AS Inbank (the **Company**) for up to 36 months in separate series (the **Programme**) on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange (**Nasdaq Tallinn**) (the **Prospectus**). The Summary has been appended to the final terms applicable to the Bonds issued in the first series (the **Final Terms**) and is, therefore, specific to the Bonds in the first series. Information given in this Prospectus has been presented by the Company as at the registration of the Prospectus, unless otherwise stipulated.

This Summary should be read as an introduction to Prospectus and any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. The information in the Summary is presented as of the Prospectus registration date, unless indicated otherwise. Civil liability in relation to this Summary attaches only to those persons who have tabled the Summary, including any translation thereof, and only where the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Bonds. Investment into the Bonds involves risks and the investor may lose all or part of the investment.

Name and international securities identification number (ISIN) of the Bonds	Inbank subordinated bond 15.12.2031, ISIN EE3300002302 (the Bonds)
The identity and contact details of the issuer, including its legal entity identifier (LEI)	The business name of the issuer is AS Inbank (the Company). The Company is registered in the Estonian Commercial Register under the register code 12001988 and its LEI code is 2138005M92IEIQVEL297. The contact details of the Company are the following: address Niine tn 11, Tallinn 10414, Estonia, phone +372 640 8080, e-mail info@inbank.ee .
The identity and contact details of the competent authority approving the prospectus, date of approval of the prospectus	This Prospectus has been approved by the Estonian Financial Supervision Authority (the EFSA) under registration number 4.3-4.9/5753 on 29 November 2021. The contact details of the EFSA are the following: address Sakala 4, Tallinn 15030, Estonia, phone +372 668 0500, e-mail info@fi.ee .

Key information on the issuer

Who is the issuer of the securities?

The business name of the Company is AS Inbank (formerly Cofi AS). The Company was registered in the Estonian Commercial Register on 5 October 2010 under the register code 12001988 and its LEI code is 2138005M92IEIQVEL297. The Company has been established and is currently operating under the laws of the Republic of Estonia in the form of a public limited company (in Estonian: *aktsiaselts* or AS) and is established for an indefinite term. The Company's group includes the following consolidated subsidiaries (the **Group**): Inbank Latvia SIA, Inbank Payments OÜ, Inbank Technologies OÜ, Maksekeskus Holding OÜ, Inbank Finance AS and Mobire Group OÜ. Furthermore, the Company has branches in Lithuania and Poland. The Company is the holding company of the Group. As at the date of this Prospectus, the Group is operating in eight geographical markets, the most important of which are Poland and the three Baltic countries – Estonia, Latvia and Lithuania. In Estonia, the Group is engaged in providing consumer financing and accepting public deposits. In Latvia, the Group operates through Inbank Latvia SIA which offers consumer financing services. In Poland and Lithuania, the Group operates through branches which offer consumer financing and accept public deposits. In addition to the abovementioned geographical markets and business segments, the Group accepts public deposits from Germany, Austria, the Netherlands and Finland. The Company itself is an Estonian licensed credit institution with a main focus of issuing consumer credit products and collecting deposits. The Company's activities are concentrated on certain market and product segments – deposits, consumer loans, hire-purchase, factoring – where the Company has a strong technological advantage over competitors. The banking services business segment can be further broken down into retail banking and corporate banking. The retail banking services are offered to private individuals, whereas the clients of the corporate banking services are small and medium-sized companies.

As at the date of this Prospectus, the shareholders holding directly over 5% of all shares in the Company are the following:

Name of shareholder	Number of shares	Proportion
Cofi Investeeringud OÜ	2,582,187	26.62%
Luciano Orsero	907,881	9.36%
Roberto de Silvestri	824,800	8.50%
Elio Tomaso Giovanni Cravero	714,900	7.37%
Andrea Agostinone	692,000	7.13%
SCI IN Holding 20	517,200	5.33%

There are no persons who have an indirect qualifying holding in the Company or a direct or indirect control over the Company.

The Company has a three-layer management. The Management Board is responsible for the day-to-day management of the Company and each of its member is eligible to represent the Company in keeping with the law and the Articles of Association. The Supervisory Board of the Company is responsible for the strategic planning of the activities of the Company and for supervising the activities of the Management Board. The highest governing body of the Company is the general meeting of shareholders.

As of the date of this Prospectus, the Company has seven members of the Management Board – Mr Priit Põldoja (Chairman of the Management Board), Ms Piret Paulus, Mr Jaanus Kõusaar, Mr Marko Varik, Mr Benas Pavlauskas, Mr Maciej Jerzy Pieczkowski and Mr Margus Kastein. The Supervisory Board of the Company includes six members – Mr Jan Andresoo (the Chairman of the Supervisory Board), Ms Triinu Bucheton, Mr Raino Paron, Mr Rain Rannu, Mr Roberto De Silvestri and Mr Taavi Kotka.

The statutory auditor of the Group for the financial years 2017–2023 is Aktsiaselts PricewaterhouseCoopers (registry code 10142876; having its registered address at Pärnu mnt 15, 10141 Tallinn, Estonia). Aktsiaselts PricewaterhouseCoopers is a member of the Estonian Auditors' Association.

What is the key financial information regarding the issuer?

The Table 1 and Table 2 set forth the key financial information as at the end of each of the financial years ended 31 December 2018 and 31 December 2017 and the nine months ended 30 September 2019 and 30 September 2018 which have been extracted or derived from the Audited Financial Statements and Interim Financial Statements included in this Prospectus respectively. The information has been presented in accordance with Annex III of European Commission Delegated Regulation (EU) 2019/979 as deemed most appropriate in relation to the Bonds by the Company.

Table 1. Consolidated income statement (in thousands of euros)

Year	2020 Audited	2019 Audited	9M '21 Unaudited	9M '20 Unaudited
Net interest income	35 180	31 180	27 867	26 064
Net fee and commission income	-1 101	-777	-767	-737
Total net interest, fee and other income	34 847	32 031	30 666	25 796
Total operating expenses	-17 321	-15 994	-17 086	-12 697
Impairment losses on loans and advances	-11 546	-6 049	-4 997	-9 229
Profit for the period	5 902	10 010	8 026	4 188

Table 2. Consolidated balance sheet (in thousands of euros)

Year	30.09.2021 Unaudited	31.12.2020 Audited	31.12.2019 Audited
Total assets	738 471	490 031	462 767
Senior debt	0	4 010	4 010
Subordinated debt	17 591	17 563	17 537
Loans and advances	543 206	402 212	338 157
Deposits from customers	598 967	391 341	377 518
Total equity	69 959	61 225	47 320

Non performing loans (based on net carrying amount)/Loans and receivables)	0.4%	0.6%	0.7%
--	------	------	------

There are no qualifications in the audit report pertaining to the Audited Financial Statements.

What are the key risks that are specific to the issuer?

Unfavourable developments in global and Estonian economy may reduce the demand for banking services and increase the credit risk. Each of the Group's operating segments is affected by general economic and geopolitical conditions. The general economic environment on the one hand affects the demand for the services of the Group, but on the other hand negative trends in the economy increase the credit risks. Although the Group constantly monitors developments on both domestic and international markets, it is not possible to forecast the timing or extent of changes in the economic environment, which is also amplified by the uncertainty accompanying the pandemic of the SARS-CoV-2 induced coronavirus disease (COVID-19).

The COVID-19 pandemic could have a long-term negative effect on global economy and financial markets as well as the Group's activity, financial condition and performance. The possible harmful consequences of the COVID-19 pandemic, both known and unknown as at the date of the Prospectus, could have an adverse effect on the Company's ability to perform all its obligations under the Bonds and the market value of the Bonds.

Counterparty Credit Risk. As uncollateralized consumer lending to households is the Group's key activity, counterparty credit risk is inherent to the core operations of the Group, making the Group exposed to changes in the solvency of households that is impacted by the unemployment rate, level of wages etc. The Group considers credit risk as the risk of potential loss which may arise from counterparty's inability to meet its obligations to the Group companies. The Group makes provisions for potential credit losses in accordance with the applicable requirements; however, such provisions are made based on the available information, estimates and assumptions, which by definition are subject to certain amount of uncertainty. Therefore, there can be no assurance that provisions are sufficient to cover potential losses.

Market Risk. Market risk, the risk of potential loss which may arise from unfavourable changes in interest rates, foreign exchange rates or price of securities, arises primarily from the Group's mismatched interest rate exposures between loans and deposits, as well as open foreign currency positions mostly related to activities through the Company's Polish branch offering consumer financing and accepting public deposits denominated in Polish zloty.

Liquidity Risk and Dependence on Access to Funding Resources. The Group's risk policies and internal procedures may not be adequate or sufficient in order to ensure the Group's access to funding resources when needed, to the extent needed or on favourable terms in order to ensure sufficient liquidity, which may affect the ability of the Group to realise its strategic plans, finance its capital needs and meet its contractual obligations on time.

Operational Risk. Potential loss may be caused by human, process or information system failures and flaws, as well as corporate fraud and misconduct. For the Group, the realisation of such risks could lead to a disruption in provision of services, non-conformity with applicable requirements and financial losses. The Group's work procedures are reviewed periodically to ensure minimisation of human failure and process flaws and the potential loss arising therefrom; however, the risk of such losses cannot be eliminated altogether. Also, the Group's activity depends on the functioning of information technology systems and failures of or significant disruptions in the work of the Group's information technology systems and in their development could prevent the Group's operations. Additionally, the results of operations of the Group depend highly on the ability to engage and retain qualified, skilled and experienced staff, which requires constant effort by the Group companies.

Strategic Risk. For reasons of corporate growth, the Group's strategic risk is estimated to exceed the strategic risk of a bank positioned in a stable stage, which may result in losses arising from the pursuit of wrong strategic decisions.

Reputational Risk. In the banking sector, where the Group companies and most notably the Company operate, a good reputation is paramount. It affects the trustworthiness of the Company which is the basis for conducting the business in the sector. As the Company obtained a banking license and started operating under a new business name (Inbank) only six years ago, the development of a strong brand and good reputation is especially important for the Company, and thus the Company is more susceptible to reputational risk than older and well-established brands in the financial sector.

Maintaining Capital Adequacy Ratios. The Company and the Group must adhere to strict capital adequacy requirements subject to frequent reforms and changes, which may result in the need to increase capital, reduce leverage and risk weighted assets, modify the Group's legal structure or even change the Group's business model.

Exposure to Regulative Changes. The Group operates in highly regulated fields of business and its operations are subject to a number of laws, regulations, policies, guidance and voluntary codes of practice, which are subject to changes. The increased requirements and expectations, enhanced supervisory standards and uncertainty with regard to further changes may result in limitations of operating flexibility and certain lines of business, additional costs and liabilities, a necessity to change legal, capital or funding structures, and decisions to exit or not to engage in certain business activities.

Exposure to Regulatory Actions and Investigations. Several local and European authorities, including financial supervision, consumer protection, data protection, tax and other authorities regularly perform investigations, examinations, inspections and audits of the Group's business, including, but not limited to, regarding capital requirements, standards of consumer lending, anti-money laundering (the "AML"), payments, reporting, corporate governance, etc. Any determination by the authorities that the Company or any Group entities have not acted in compliance with all the applicable laws and regulations could have serious legal and reputational consequences for the Group, including exposure to fines, criminal and civil penalties and other damages, increased prudential requirements or even lead to business disruption in the respective fields.

Key information on the securities

What are the main features of the securities?

The Bonds are subordinated bonds with the nominal value of EUR 1,000, denominated in euro. The Bonds represent unsecured debt obligation of the Company before the bondholder. The Bonds are in dematerialised book-entry form and are not numbered. The Bonds are registered in Nasdaq CSD under ISIN code EE330002302.

The rights attached to the Bonds have been established by the Terms of the Bonds. The main rights of bondholders arising from the Bonds and the Terms of the Bonds are the right to the redemption of the Bonds and the right to receive payment of interest. In addition to the right to the redemption of the Bonds and the right to receive payment of interest, upon a delay in making any payments due under the Terms of the Bonds, the bondholders are entitled to a delay interest at the rate of 0.025% per each day in delay.

Interest and Yield

The Bonds carry an annual coupon interest at the rate of 5.5% per annum, calculated from the date of issue of the Bonds, i.e. 15 December 2021, until the date of redemption. The interest is paid quarterly on the following dates (starting from year 2022): 28 March, 28 June, 28 September and 28 December. The interest on the Bonds is calculated based on 30-day calendar month and 360-day calendar year (30/360).

Maturity Date

The maturity date of the Bonds is 15 December 2031.

According to the Terms of the Bonds, the Company is entitled to redeem the Bonds prematurely at any time after the lapse of 5 years as from the date of issue, i.e. at any time after 15 December 2026, by notifying the bondholders at least 30 days in advance. The Company is further entitled to redeem the Bonds prematurely before the lapse of the 5-year term if there is a change in the regulative classification of the Bonds resulting in the Bonds being, in the opinion of the Company, excluded from the classification as own funds of a credit institution or if there is a significant change in the taxation regime applicable in respect of the Bonds, provided that the Company was not in a position to foresee such changes upon the issue of the Bonds.

The Bonds may be redeemed prematurely by the Company on the above-described grounds only if the EFSA has granted its consent to the early redemption. The EFSA may grant its consent for the early redemption of the Bonds as from 15 December 2026 only if the conditions of Article 78(1) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (the **CRR**) are met. The EFSA may grant its consent for the early redemption of the Bonds before 15 December 2026 only if the conditions of Article 78(4) of the CRR are met.

The bondholders are not entitled to claim early redemption of the Bonds under any circumstances.

Ranking and Subordination

The Bonds are subordinated to all unsubordinated claims against the Company. For the avoidance of doubt, the Bonds are not subordinated to the claims, which are subordinated to the Bonds or which rank *pari passu* with the Bonds. The subordination of the Bonds means that upon the liquidation or bankruptcy of the Company, all the claims arising from the Bonds shall fall due in accordance with the Terms of the Bonds and shall be satisfied only after the full satisfaction of all unsubordinated recognised claims against the Company in accordance with the applicable law. Therefore, upon the liquidation or bankruptcy of the Company, the bondholders of the Bonds are not entitled to any payments due under the Terms of the Bonds until the full and due satisfaction of all the unsubordinated claims against the Company.

Furthermore, any liability arising under the Bonds may be subject to the exercise of Bail-In Powers by the relevant resolution authority in cases where a Group company meets the conditions for the initiation of resolution proceedings (i.e. fails or is likely to fail and certain other conditions are met). Exercising the Bail-in Powers is subject to numerous preconditions and will only be used as a last resort; however, if the powers are exercised, it is possible that: (a) the amount outstanding of the Bonds is reduced, including to zero; (b) the Bonds are converted into shares, other securities or other instruments of the Company or another person; (c) the Bonds or the outstanding amounts of the Bonds are cancelled; and/or (d) the terms of the Bonds are altered (e.g. the maturity date or interest rate of the Bonds could be changed).

Therefore, if a Group company meets the conditions for the initiation of resolution proceedings, the exercising of the Bail-in Powers by the relevant resolution authority may result in material losses for the bondholders. Financial public support will only be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool. Consent of the bondholders is not necessary for affecting bail-in measures by the resolution authority.

Transferability

The Bonds are freely transferrable; however, any bondholder wishing to transfer the Bonds must ensure that any offering related to such a transfer would not be qualified as requiring the publication of a prospectus in accordance with applicable law. According to the Terms of the Bonds, ensuring that any offering of the Bonds does not require the publication of a prospectus in accordance with the applicable law is the obligation and liability of the bondholder.

Where will the securities be traded?

The Company intends to apply for the listing and admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. The expected date of listing and the admission to trading of the Bonds is on or about 21 December 2021. While every effort will be made and due care will be taken in order to ensure the listing and the admission to trading of the Bonds by the Company, the Company cannot ensure that the Bonds are listed and admitted to trading on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange.

What are the key risks that are specific to the securities?

- The resolution authority may subject the Bonds to mandatory rebates or conversion to equity instruments and other measures.
- Investment into subordinated bonds opens the investor to heightened risk of loss in case of the Company's insolvency.
- For the purposes of subordinating the Bonds, the Bond Terms limit the right of the investors to demand the premature redemption of the Bonds by the Company, including in case of any violation of the Bond Terms or Final Terms by the Company, except for in case of the Company's insolvency or liquidation.
- In case of premature redemption of the Bonds, the investor's net proceeds from the investment will be smaller than in case of redemption at maturity.
- The price of the Bonds may be subject to volatility. The value of the Bonds in the securities market may fluctuate due to events related to the Group or materialisation of risks, but also due to events beyond the control of the Group, such as the general situation in the Estonian or European economy.
- While every effort is made by the Company to ensure a successful Offering, the Company is not able to guarantee the success of the Offering or that the investors will receive their subscribed Bonds.
- While every effort will be made to ensure that the Bonds are admitted to trading on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange, the Company cannot ensure this.
- There is no guarantee of continued (or any) analyst research coverage for the Company. Negative or insufficient third-party reports would be likely to have an adverse effect on the market price and the trading.

Key information on the offer of securities to the public and admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

In the course of the Offering, up to 35,000 Bonds may be offered to retail and institutional investors in Estonia (the **Retail Offering**). The Company may choose to offer the Bonds issued under the Programme to investors in and outside Estonia by private placement and to qualified investors in accordance with Article 1(4)(a) and (b) of the Prospectus Regulation (the **Institutional Offering**). The Bonds are offered for the price of EUR 1,000 per one Bond.

Offering Period

The Offering Period is the period during which the persons who have the right to participate in the Retail Offering may submit Subscription Undertakings for the Bonds. The Offering Period commences on 30 November 2021 at 10:00 local time in Estonia and terminates on 9 December 2021 at 16:00 local time in Estonia (the **Offering Period**).

Subscription Undertakings

The Subscription Undertakings may be submitted only during the Offering Period. An investor participating in the Retail Offering may apply to subscribe for the Bonds only for the Offer Price. Multiple Subscription Undertakings by one investor, if submitted, shall be merged for the purposes of allocation. All investors participating in the Retail Offering can submit Subscription Undertakings denominated only in euro. An investor shall bear all costs and fees charged by the respective account operator of Nasdaq CSD accepting the Subscription Undertaking in connection with the submission, cancellation or amendment of a Subscription Undertaking.

In order to subscribe for the Bonds, an investor must have a securities account with Nasdaq CSD Estonian settlement system. Such securities account may be opened through any account operator of Nasdaq CSD.

An investor wishing to subscribe for the Bonds should contact an account operator that operates such investor's Nasdaq CSD securities account and submit a Subscription Undertaking for the purchase of Bonds in the form set out below. The Subscription Undertaking must be submitted to the account operator by the end of the Offering Period. The investor may use any method that such investor's account operator offers to submit the Subscription Undertaking (e.g. physically at the client service venue of the account operator, over the internet or by other means). The Subscription Undertaking must include the following information:

Owner of the securities account:	name of the investor
Securities account:	number of the investor's securities account
Account operator:	name of the investor's account operator
Security:	Inbank subordinated bond 15.12.2031
ISIN code:	EE3300002302
Amount of securities:	the nominal value of Bonds for which the investor wishes to subscribe (the number of Bonds multiplied by the Offer Price)
Price (per one offer Bond):	EUR 1,000
Transaction amount:	the number of Bonds for which the investor wishes to subscribe multiplied by the Offer Price
Counterparty:	Inbank AS
Securities account of counterparty:	99102014361
Account operator of the counterparty:	AS LHV Pank
Value date of the transaction:	15 December 2021
Type of transaction:	"subscription undertaking"

A Subscription Undertaking is deemed submitted from the moment Nasdaq CSD receives a duly completed transaction instruction from the account operator of the respective investor. Investors have the right to amend or cancel their Subscription Undertakings at any time until the end of the Offering Period. To do so, the investor must contact its/his/her account operator through whom the Subscription Undertaking in question has been made and carry out the procedures required by the account operator for amending or cancelling a Subscription Undertaking (such procedures may differ between different account operators). This may result in costs and fees charged by the account operator through which the Subscription Undertaking is submitted.

An investor may submit a Subscription Undertaking through a nominee account only if such an investor authorises the owner of the nominee account to disclose the investor's identity, personal ID number or registration number, and address to the Company and Nasdaq CSD. Subscription Undertakings submitted through nominee accounts without the disclosure of the above information will be disregarded.

An investor must ensure that all information contained in the Subscription Undertaking is correct, complete and legible. The Company reserves the right to reject any Subscription Undertakings, which are incomplete, incorrect, unclear or illegible, or which have not been completed and submitted during the Offering Period in accordance with all requirements set out in these terms and conditions.

Payment

By submitting a Subscription Undertaking, an investor authorises and instructs the institution operating the investor's cash account connected to its/his/her securities account (which may or may not also be the investor's account operator) to immediately block the whole transaction amount on the investor's cash account until the settlement is completed or funds are released in accordance with these terms and conditions. The transaction amount to be blocked will be equal to the Offer Price multiplied by the number of Bonds for which the investor subscribed. An investor may submit a Subscription Undertaking only when there are sufficient funds on the cash account connected to its/his/her Nasdaq CSD securities account or its/his/her securities account to cover the whole transaction amount for that particular Subscription Undertaking.

Distribution and Allocation

The Company will decide on the allocation of the Bonds after the expiry of the Offering Period, and no later than on 13 December 2021. The Bonds will be allocated to the investors participating in the Offering in accordance with the following principles: (i) under the same circumstances, all investors shall be treated equally, whereas dependent on the number of investors and interest towards the Offering, the Company may set minimum and maximum number of the

Bonds allocated to one investor; (ii) the Company shall be entitled to use different allocation principles between the groups of retail investors and institutional investors; (iii) the Company shall be entitled to use different allocation principles in groups of investors tiered based on the size of the Subscription Undertaking; (iv) the allocation shall be aimed to create a solid and reliable investor base for the Company; (v) the Company shall be entitled to prefer Estonian investors to foreign investors who may participate in the Institutional Offering; (vi) the Company shall be entitled to prefer its existing shareholders and bondholders of the Company to other investors; and (vii) the Company shall be entitled to prefer the clients of the Company to other investors whereas preference may be given only to certain groups of clients; (viii) the Company shall be entitled to give preference to the employees, management and supervisory board members of companies belonging to the Group whereas such persons may use their investment vehicles in subscribing for the Bonds and shall in such case inform the Company of the usage of an investment vehicle and its name.

The results of the allocation process of the Offering will be announced through the information system of the Nasdaq Tallinn Stock Exchange and through the Company's website <https://www.inbank.ee/en/investor/announcements> no later than on 13 December 2021, but in any case, before the Bonds are transferred to the investors' securities accounts. Therefore, dealing with the Bonds shall not begin before the results of the allocation have been announced.

Settlement and Trading

The Bonds allocated to investors will be transferred to their securities accounts on or about 15 December 2021 through the "delivery versus payment" method simultaneously with the transfer of payment for such Bonds. If an investor has submitted several Subscription Undertakings through several securities accounts, the Bonds allocated to such investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary. Trading with the Bonds is expected to commence on the Nasdaq Tallinn Stock Exchange on or about 16 December 2021.

Return of Funds

If the Offering or a part thereof is cancelled in accordance with the terms and conditions described in this Prospectus, if the investor's Subscription Undertaking is rejected or if the allocation is less than the amount of Bonds applied for, the funds blocked on the investor's cash account, or the excess part thereof (the amount in excess of payment for the allocated Bonds), will be released by the respective financial institution.

Cancellation of Offering

The Company has the right to cancel the Offering in full or in part in its sole discretion, at any time until the end of the Offering Period. In particular, the Company may decide to cancel the Offering in the part not subscribed for. Any cancellation of the Offering will be announced through the information system of the Nasdaq Tallinn Stock Exchange and through the Company's website <https://www.inbank.ee/en/investor/announcements>. All rights and obligations of the parties in relation to the cancelled part of the Offering will be considered terminated as of the moment when such announcement is made public.

Why is this Prospectus being produced?

The primary purpose of the Offering is to strengthen the capital structure of the Group to retain a strong capital base in light of a growing risk weighted asset base. The Company is looking to engage additional capital in the amount of up to EUR 35 million. The proceeds from the Offering will be entirely used for strengthening the Tier 2 regulative capital base. The Company plans to use up to EUR 6.503 million of proceeds from the Offering for the premature redemption of the existing unsecured subordinated bonds issued by the Group, provided that the Group is entitled to redeem such bonds prematurely in accordance with the applicable terms and regulations. The total amount of costs related to the Offering is estimated to be up to EUR 100,000, which will be deducted from the proceeds of the Offering before using the proceeds as described above.

According to the knowledge of the Management, there are no personal interests of the persons involved in the Offering material to the Offering. The Management is unaware of any conflicts of interests related to the Offering.

The Offering is not subject to an underwriting agreement on a firm commitment basis.