



Inbank Investor Presentation

September 2025

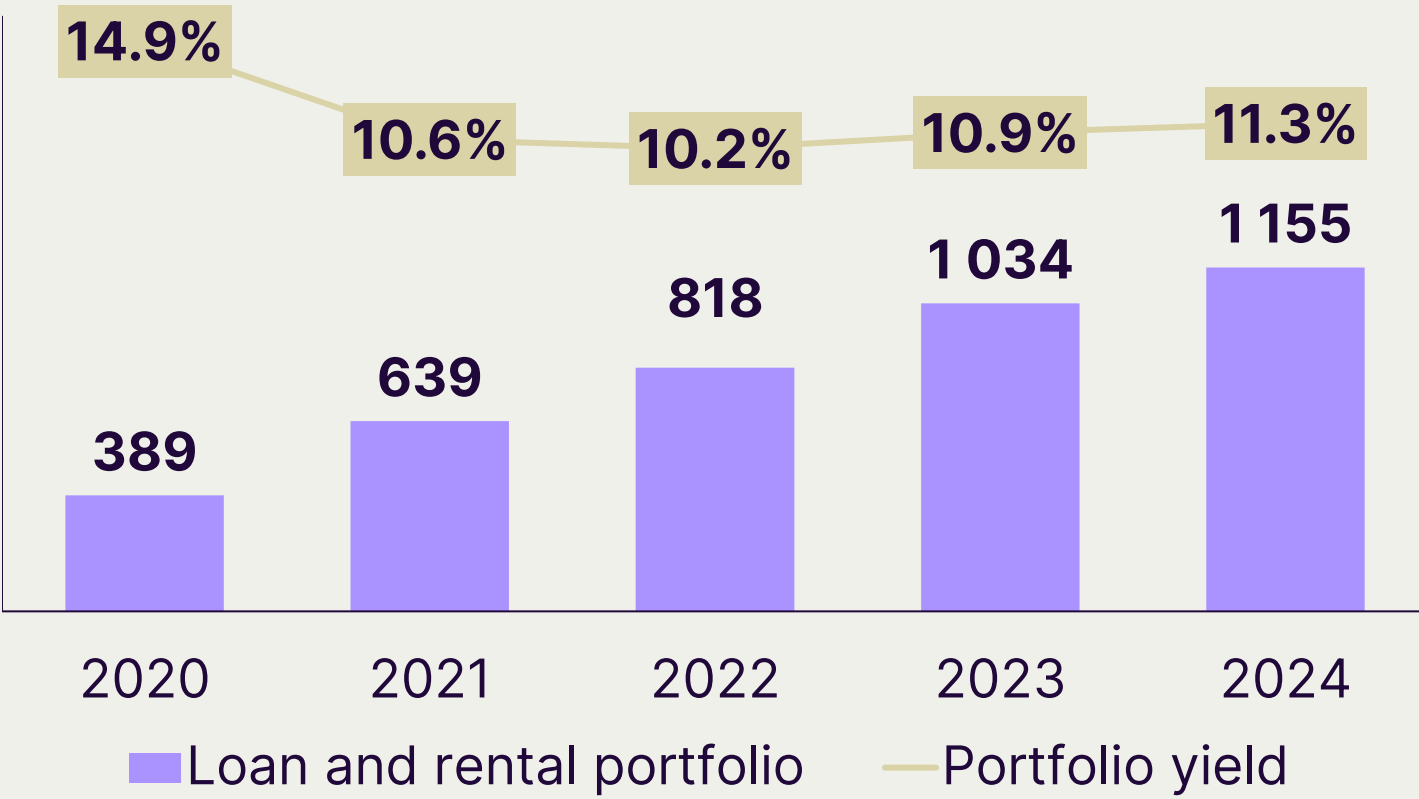
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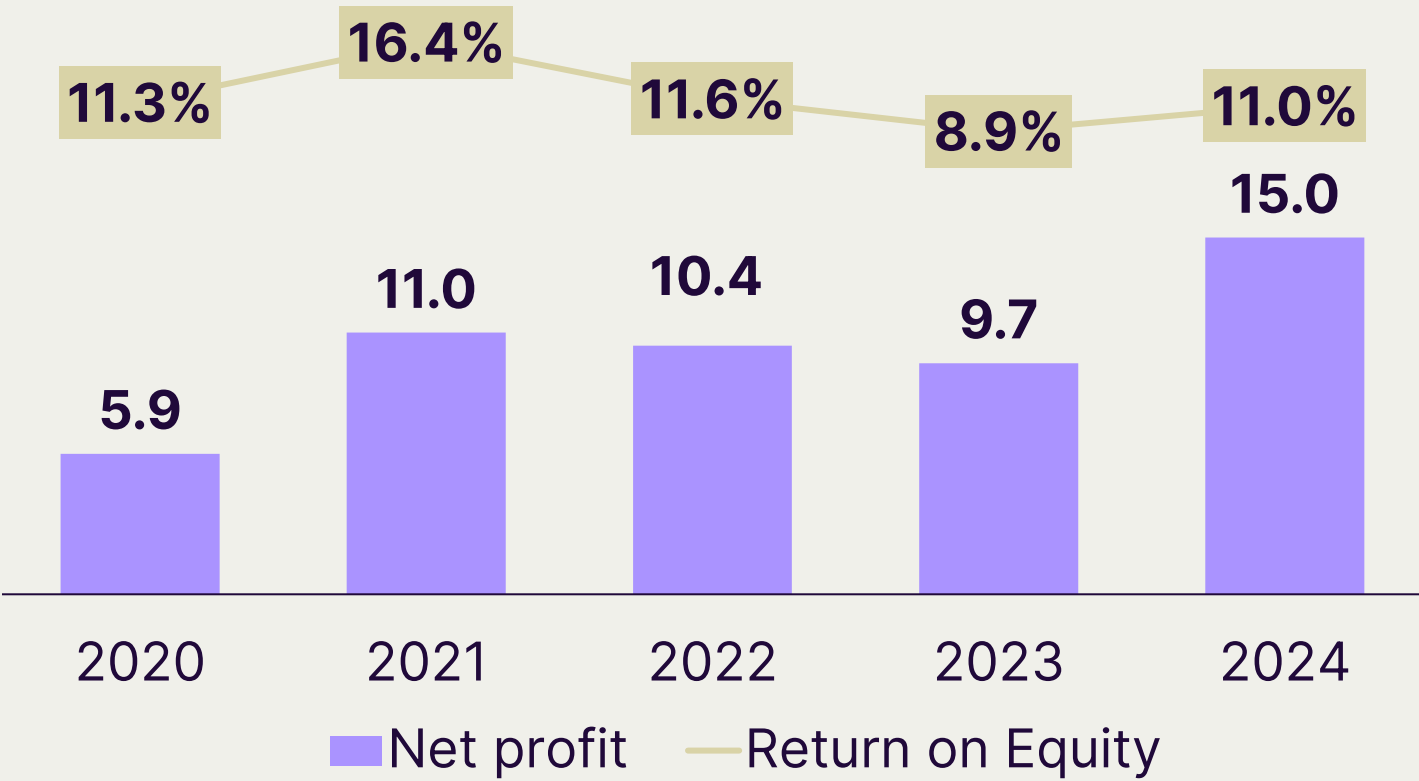
Executive summary

- Inbank (founded in 2010), is a credit originator offering pay later solutions utilising its proprietary technology to connect merchants, consumers and financial institutions through its next generation embedded finance platform.
- Today, Inbank merchant network consists of over 5,700 partners across 5 countries in the Baltics, Poland and Czechia, serving close to 900,000 customers. The platform is generating €700m of originated volume („OV“) and 500,000 new contracts annually.
- Inbank has developed in-house advanced omni-channel platform with over €41 million invested in building the solution, which allows the Company to grow efficiently into new markets and creates barrier to entry against other market participants.
- We see continued momentum heading into 2026, reflected in improving margins and efficiency, stable credit costs, and ongoing market share growth.
- Inbank is offering Tier 2 subordinated bonds from 23 September to 3 October at 6.25% interest, with an issue size of €5 million and potential increase to €10 million if oversubscribed.
- The planned issue is intended to strengthen Inbank’s capital base, supporting international growth and product expansion.

Loan and rental portfolio evolution, €m



Net profit evolution, €m



>40%

Annual growth since 2015

13+

Years of profitability

20%

Average ROE since 2015

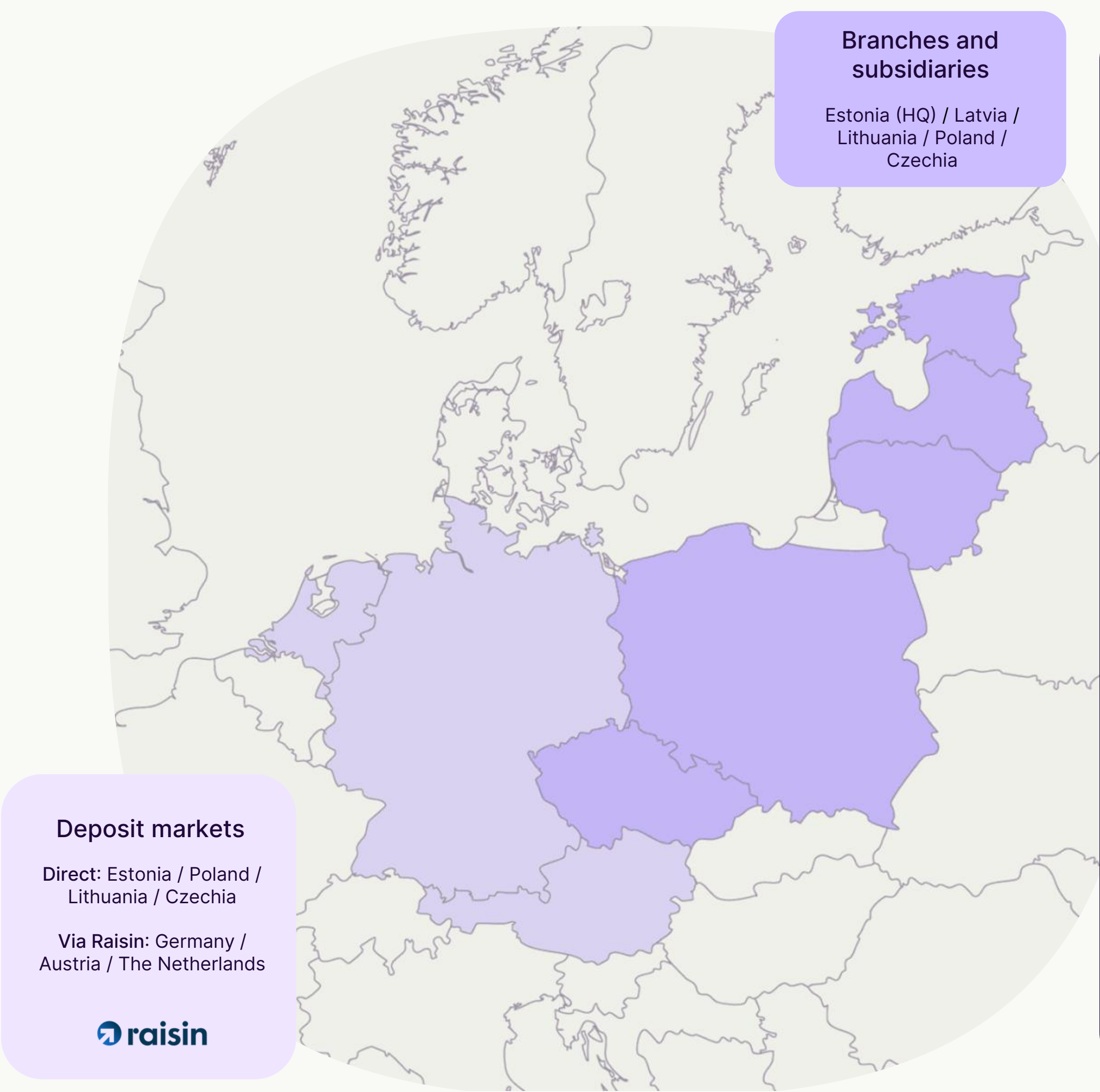
30%

Founders and team
stake at Inbank

1. Introduction to Inbank

Embedded finance platform designed for retail

Inbank is a loan originator offering pay later solutions utilising its proprietary technology to connect merchants, consumers, and financial institutions through its next-generation embedded finance platform. Inbank bonds are listed on the Nasdaq Tallinn Stock Exchange.



931,000+
Active customer contracts

5,700+
Active retail merchants

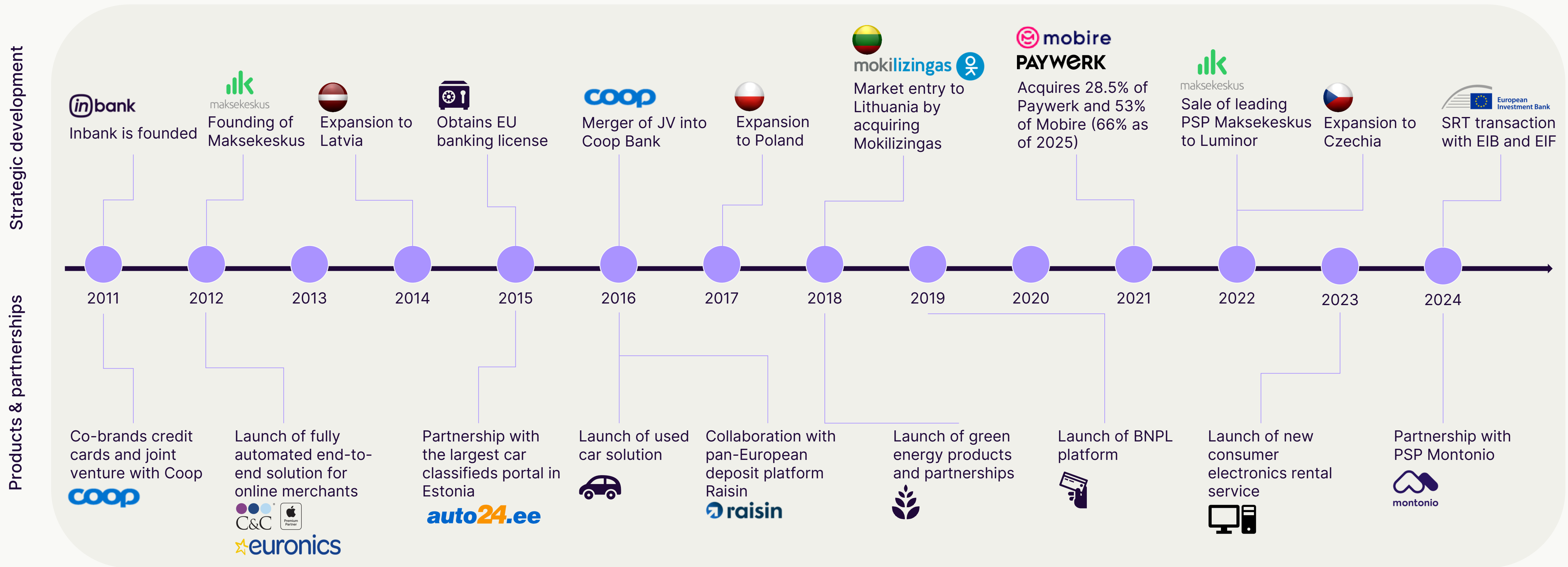
444
People with 33% in Tech roles

€694m
OV in 2024, >21% YoY growth in last 5yrs

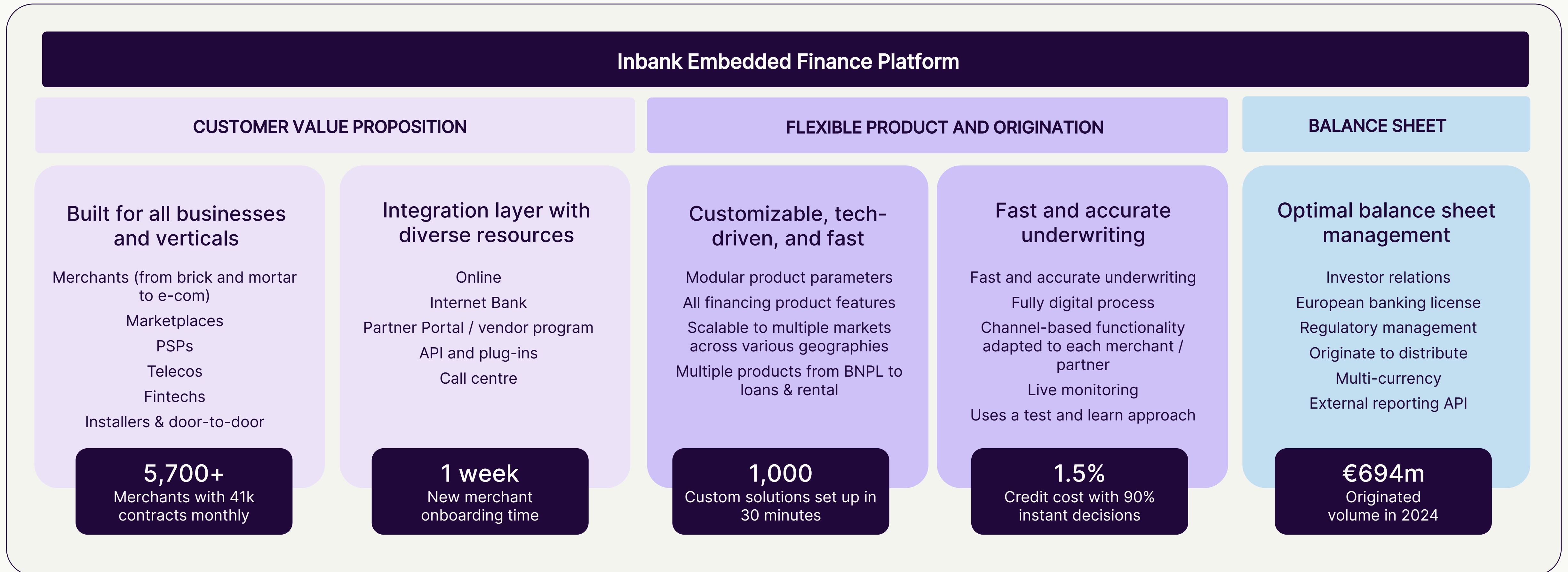
€1.21bn
Loan and rental portfolio

As of 30.06.2025

Strong growth through products, partnerships and geographical expansion



A proprietary, modular, and vertical-agnostic platform



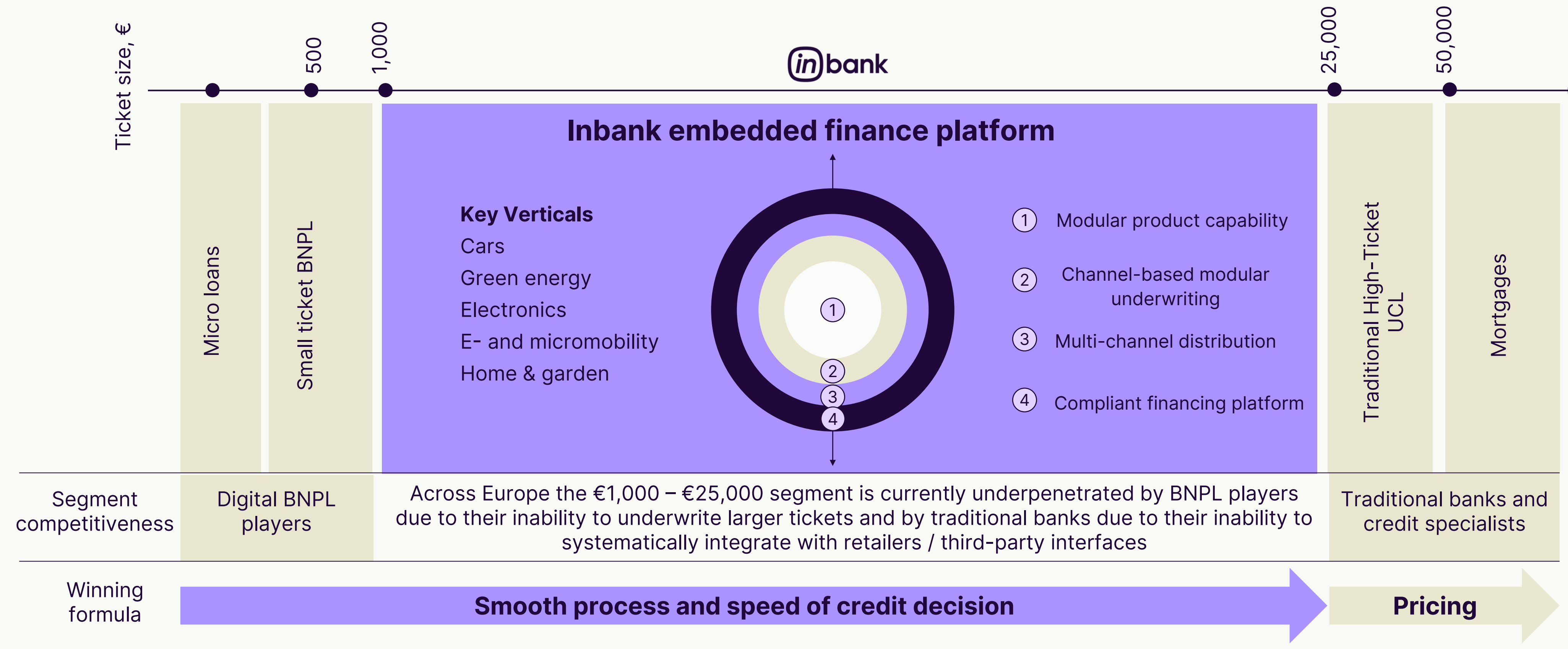
1,000+ custom solutions → support merchant loyalty & boost sales

€41m invested in tech development → strong competitive edge

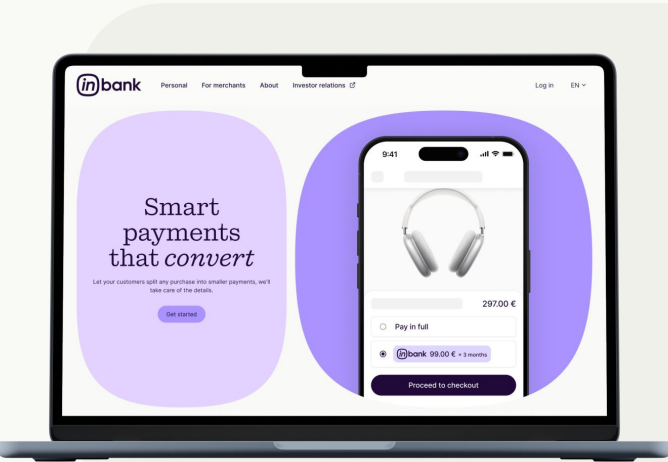
148 people in Product & Tech (33% of FTEs) → incl. 72 engineers (Q2 2025)

Focus on mid-sized tickets with automated credit decision

Strategic focus on an underpenetrated segment of the European market, i.e. €1,000 to €25,000 lending at the point of sale, where we can win with automated credit decision, seamless third-party integrations, and the flexibility of our modular tech platform.



Diversified product suite



Business-to-Business-to-Consumer

Vertical agnostic online and offline pay later solutions

Buy Now Pay Later

Instalments

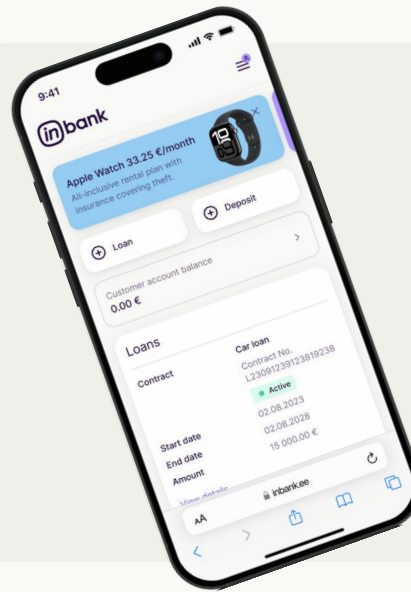
Rental

Value proposition: easy integration, instant credit decision, conversion management & analytics that drive higher sales for merchants, marketplaces, PSPs & telcos — across online, offline & door-to-door channels.

Income stream: various fees

Distribution: direct sales for top-tier merchants; automated digital sales & onboarding via PSPs and platforms for mid-sized & small merchants

CORE



Direct-to-Consumer

Selection of D2C supplementary financing, insurance, and savings products

Unsecured loans

Payment protection insurance

Deposits

Value proposition: easy-to-use customer journey, simple and intuitive application, instant credit decision, allowing people to finance their purchases whenever they need, both online and offline.

Income streams: interest and commission income

Distribution: through merchants, PSPs, platforms, direct sales & cross-sell to existing customer base

COMPLEMENTARY



Powered by
Inbank Tech

Technology & product solution

End-to-end modular finance platform for financial institutions

Underwriting engine

Modular platform

EU banking license

Value proposition: modern pay later solutions built on modular platform enabling to build financing business, easy-to-use customer flows and products, automated credit decision, multichannel distribution capabilities.

Income stream: fee income

Distribution: direct sales to financial institutions, credit originators

EMERGING

For merchants: omnichannel solutions built to drive value

Removing friction

Embedding financing solutions seamlessly, both online and in-store.

Boosting sales

Driving merchant sales by making financing readily available.

Unlocking growth

Partnering with merchants to unlock mutual growth opportunities.

Delivering results

Designing products and underwriting rules that ensure sustained results.

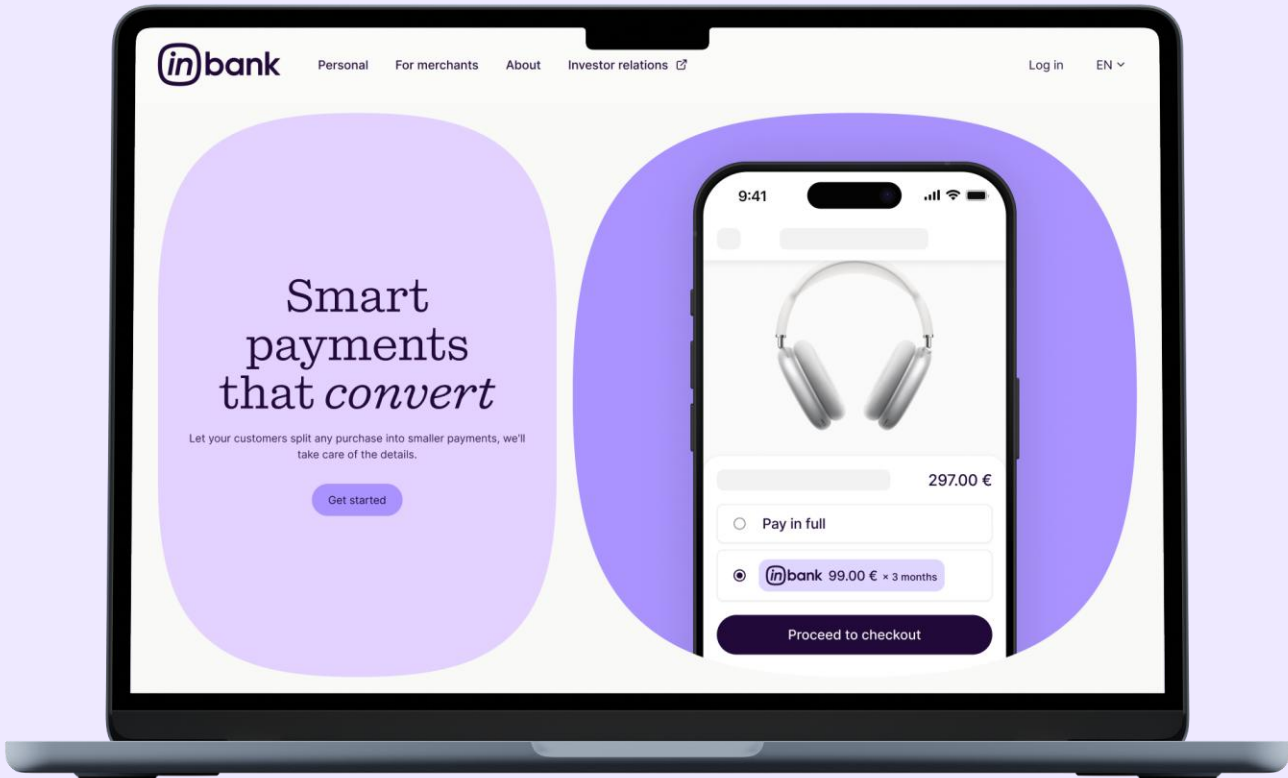
Built for scale

Scaling seamless, fully automated solutions across industries and markets.

Offline
Physical stores, direct sales,
door-to-door



Online
Webshops, platforms &
marketplaces



Active merchants
5,700+

Online sales
65%

Merchant
retention rate
94%

Merchant
NPS score
85%

For consumers: short, smooth, and user-friendly journeys



Flexible financing solutions

Call us **inbank** EN ▾

Pay in parts
The smart way to pay for bigger purchases.

Monthly payment
12.64 €
Exact calculation in the offer
[Calculation example](#)

Down payment
€ 0

0 % 50 %

Period
48 months ▾

Amount 450.12 € Merchant [www.telia.it](#)

By continuing I confirm that I have read the [Principles of Processing Client Data](#) and agree that my data is sent to AS Inbank Finance.

Continue

Active contracts
931,000

Fully automated credit check

Call us **inbank** EN ▾

Your finances
Please fill out information about your income and obligations.

Financial details

Monthly net income
€ 1200 ⓘ

Monthly obligations
€ 300.00 ⓘ

Employment
Employment indefinite ▾

Submit application

✕ [Cancel application](#)

Automated decisions
95%

Fast credit decisions

Call us **inbank** EN ▾

Good news!
Your application got approved. Review the terms and continue.

Monthly payment
12.64 €

Amount
450.12 €

Down payment
€ 0

0 % 50 %

Period
48 months ▾

Monthly payment day
15 ▾

Continue

From apply → contract
30 sec.

Engaging self-service

9:41 **inbank** ▮

Apple Watch 33.25 €/month
All-inclusive rental plan with insurance covering theft.

Loan Deposit

Customer account balance
0.00 €

Loans

Contract	Car loan
Contract No.	L23091239123819238
	Active
Start date	02.08.2023
End date	02.08.2028
Amount	15 000.00 €

[View details](#)

AA inbankee

NPS score
66%

Our product portfolio

Financing for seamless shopping



Ranging from **Buy Now, Pay Later** and **instalments** to **rental services**, we provide customers with greater flexibility, convenience, and a seamless experience across online and in-store shopping.

Multipurpose loans for every need



Reliable and fast, Inbank's multipurpose loans provide flexible financing for personal needs. With a seamless online journey, 90% of credit decisions are made within seconds - combining trust, and convenience.

Car financing and rental made simple



A wide range of car financing options - from **direct loans** to **financing integrated into auto marketplaces**. Through our subsidiary Mobire, we also provide **full-service car rental** for added convenience.

Green financing for sustainable energy



Residential solar panels and heat pumps financed with ease through a fast, fully automated process directly at the vendor's point of sale.

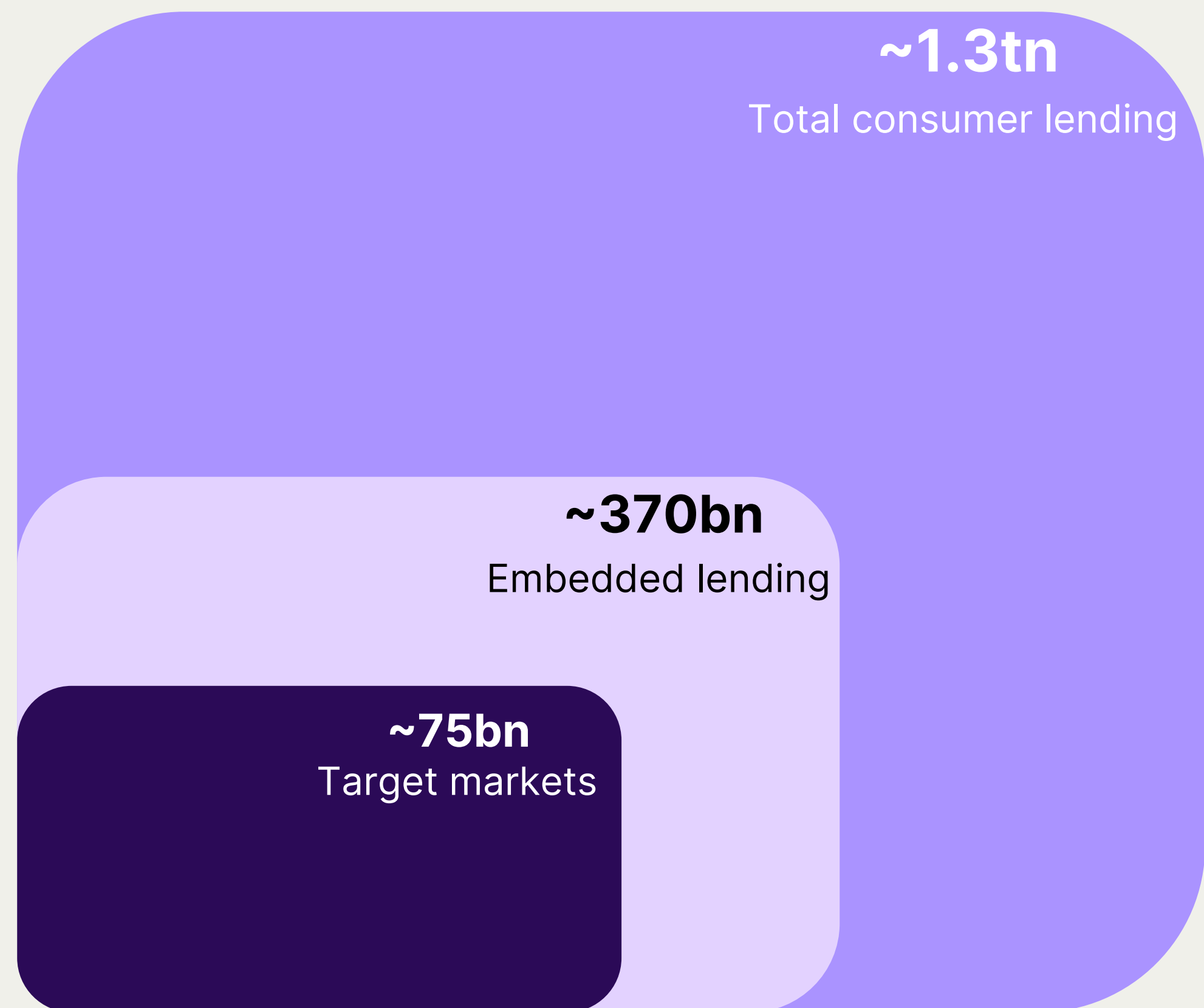
Smart and secure savings



Our deposits offer a simple and reliable way to grow savings - easy to open online in just a few clicks, with 97% guaranteed by the national guarantee fund.

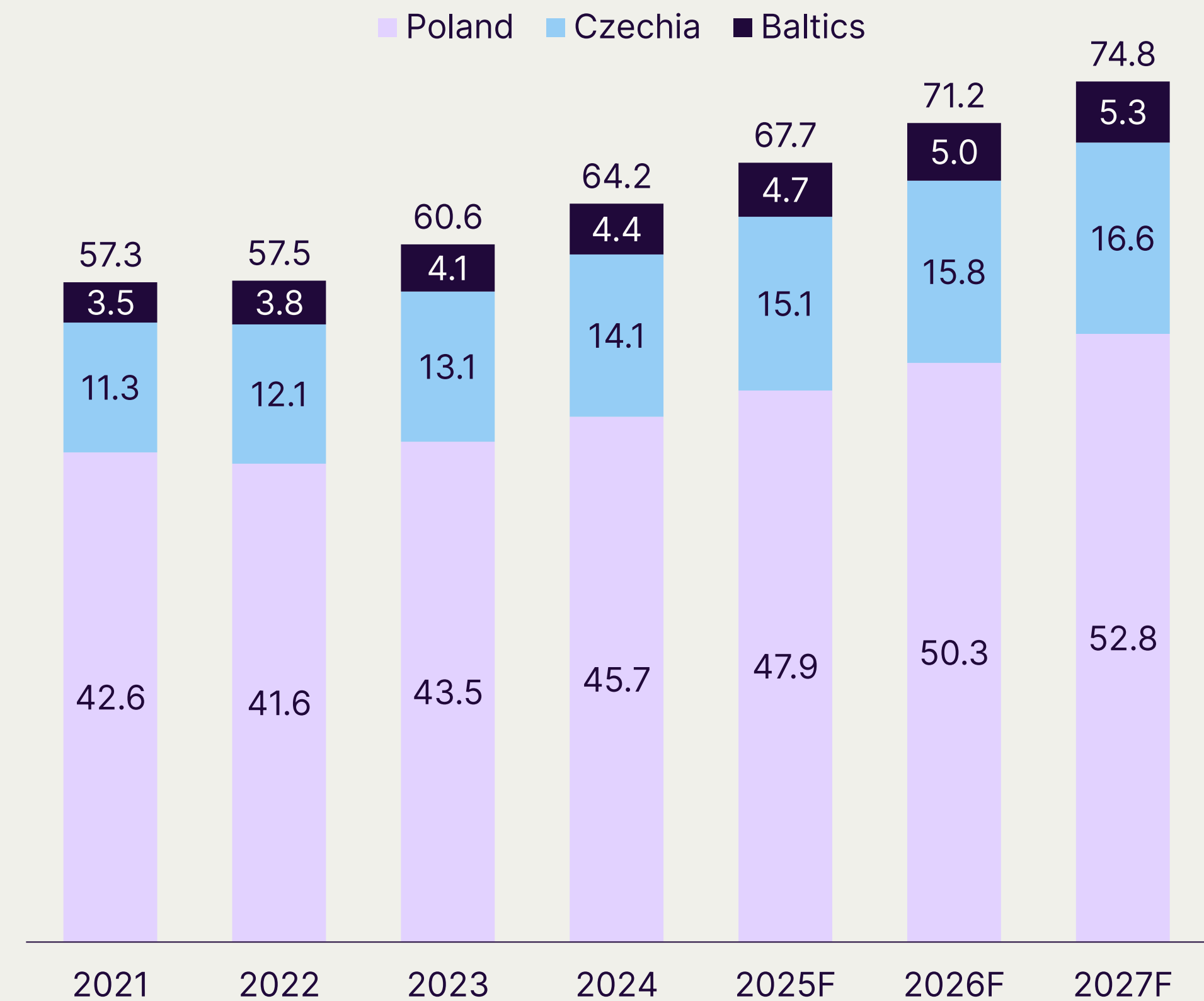
Large target addressable market with significant growth potential

European addressable lending market (€bn)



Total addressable lending market outstanding balance in Europe, 2027

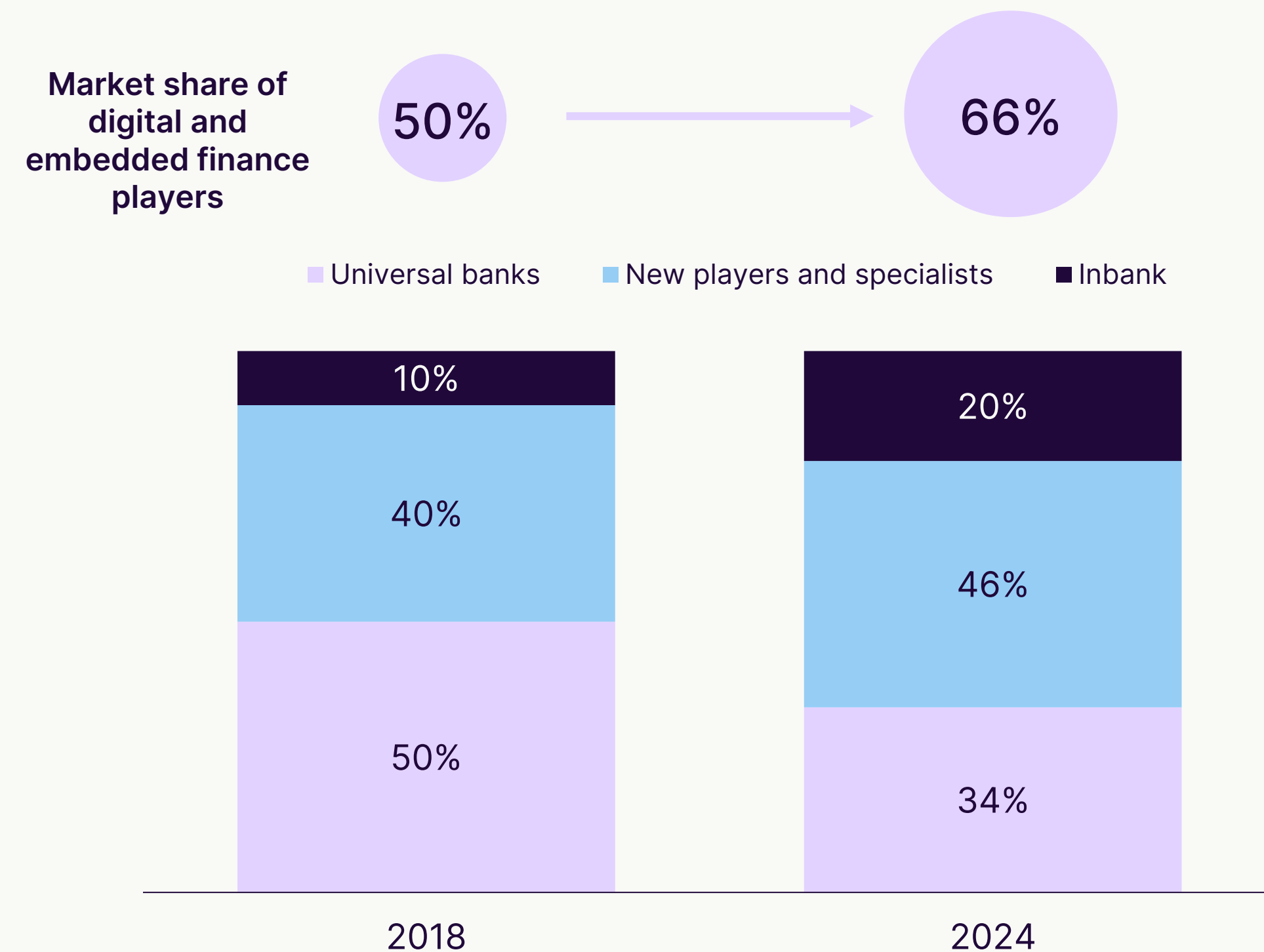
European consumer market development (€bn)



Embedded finance players are gaining market share from incumbent banks

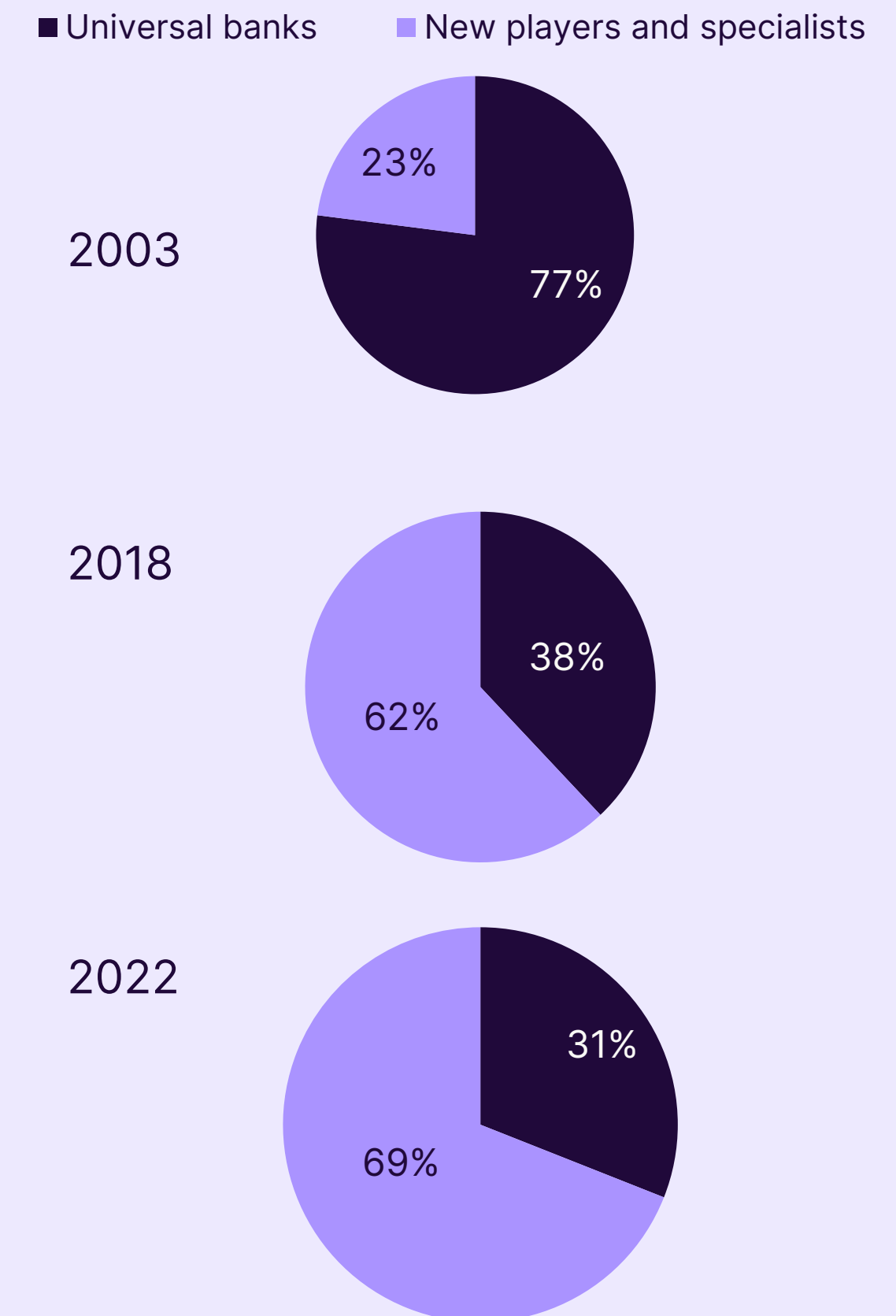
Over the past 5 years, Inbank successfully increased its market share of digital and embedded finance players in Estonia from 10% in 2018 to 20% in 2024.

Estonian market share of digital and embedded finance players



Changing market dynamics in Sweden

A similar trend is also evident in Scandinavia where embedded finance players in Sweden, for example, have increased their market share from 23% to 69% from 2003 to 2022, replacing universal banks.



Unique merchant network supporting diversified growth

Active merchants

5,700+

Merchant retention rate

94%

Sales originated at partner channels

77%

	Estonia	Latvia	Lithuania	Poland	Czechia
Market size	€1.2bn	€1.3bn	€2.6bn	€48bn	€17bn
Market share (portfolio basis)	20.5%	8.2%	9.5%	1.0%	<1%
# of merchants	1,400	300	1,400	2,400	<100

Market sizes as of Q2 2025.

Diverse network from multiple verticals

PSPs & marketplaces



Electronics



Multi & telecommunications



Lifestyle



Energy



Car



DIY & gardening

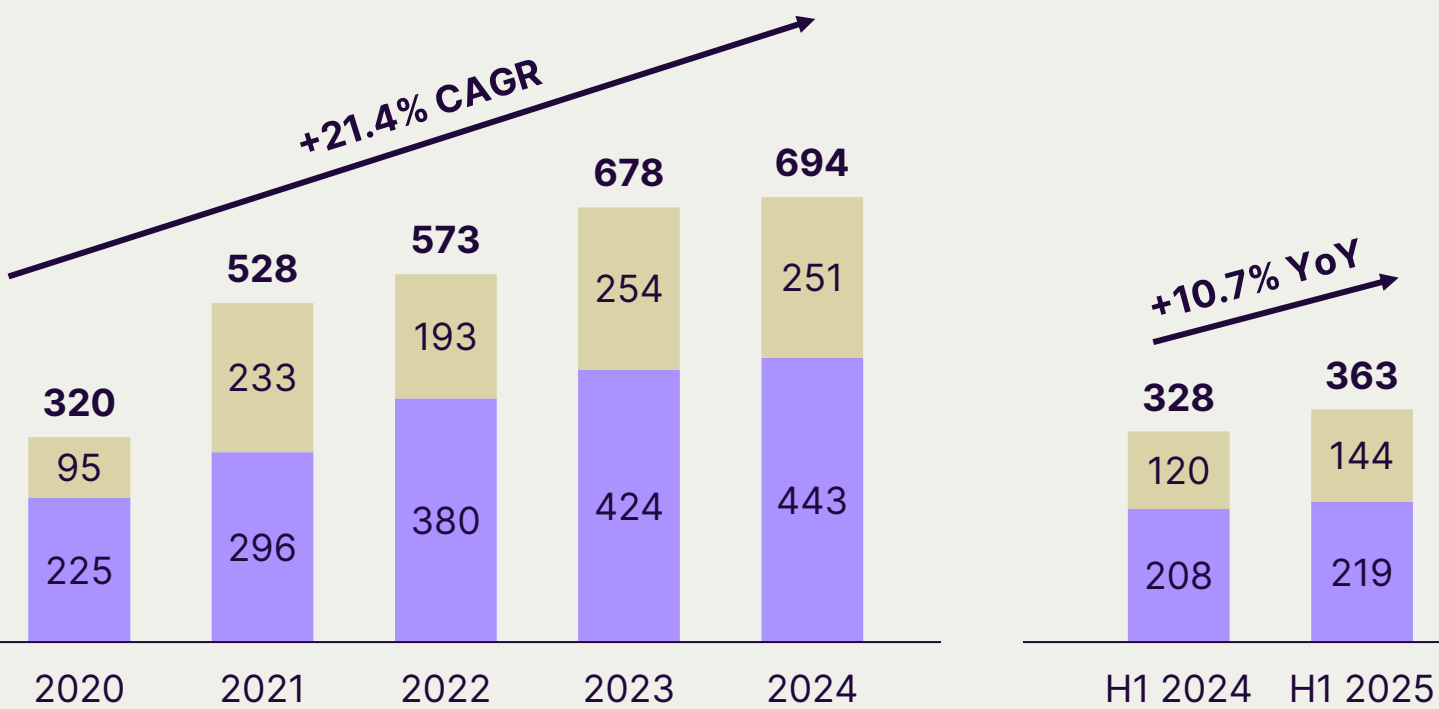


Diversified growth across regions and verticals

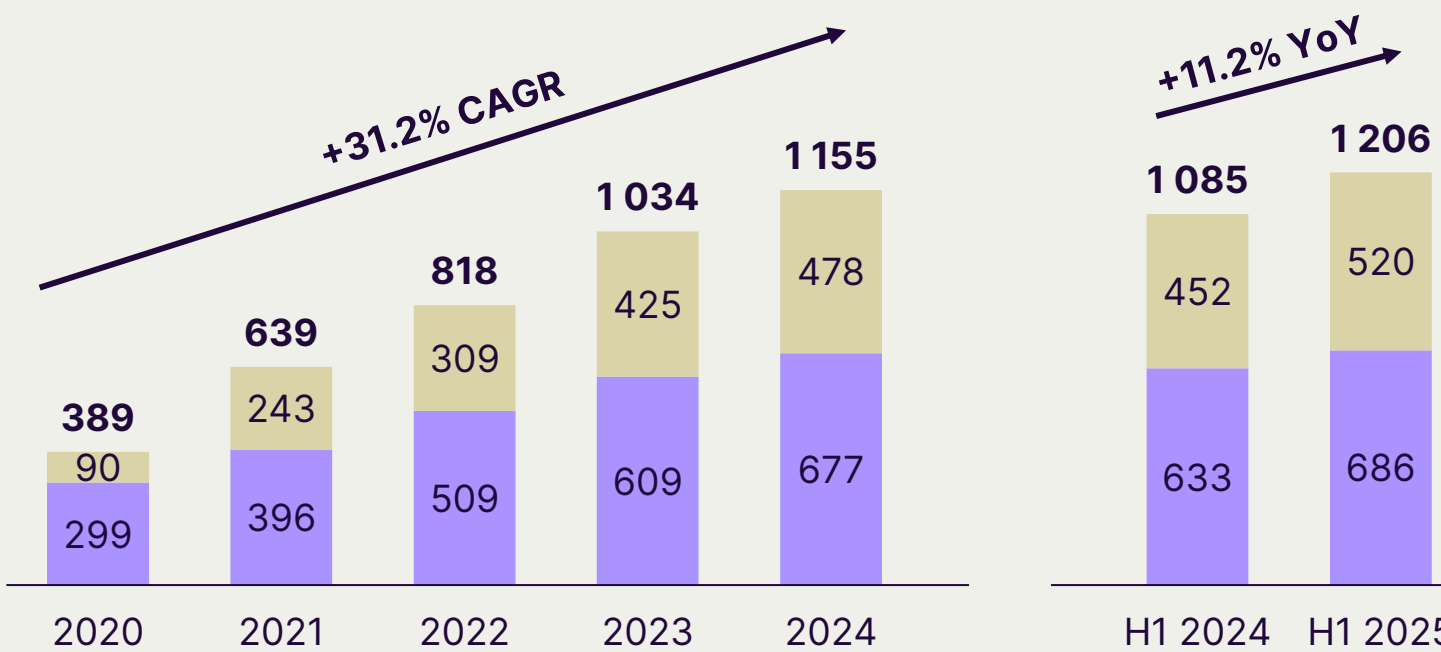
€ in millions, unless stated otherwise

Baltics CEE

Originated volume per region

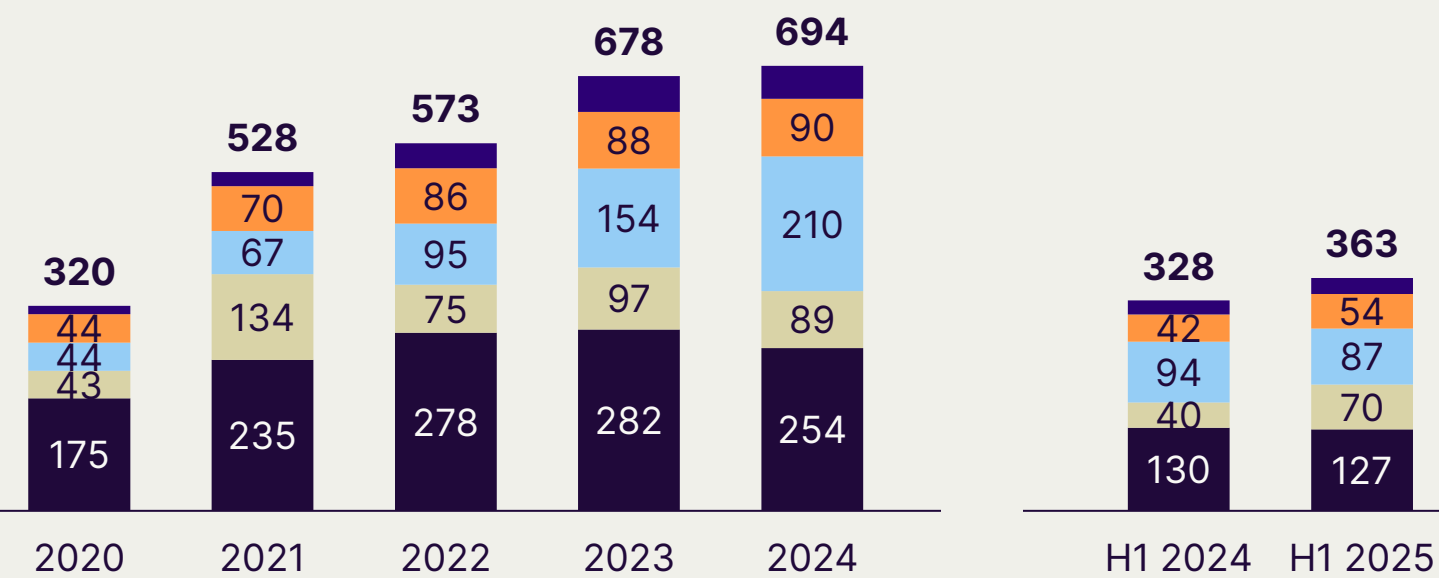


Portfolio per region

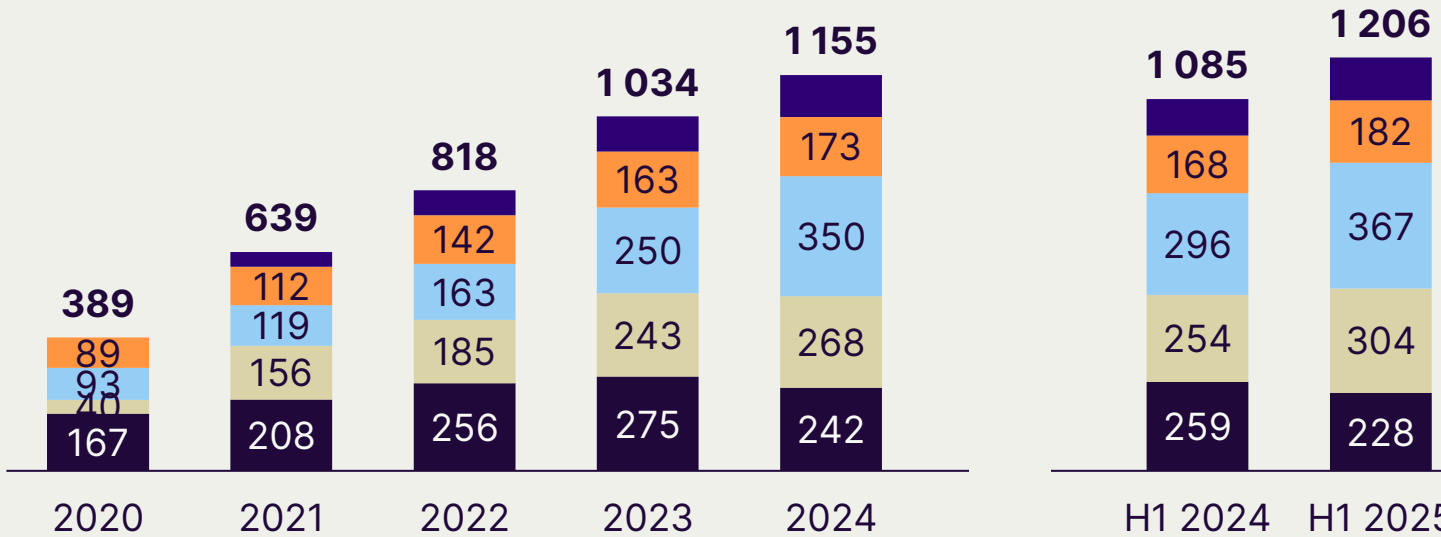


Merchant solutions Green financing Auto marketplaces and dealers Direct lending Rental services

Originated volume per product



Portfolio per product



- OV has delivered a four-year compound annual growth rate (CAGR) of 21%, driven by strong expansion across core regions and product lines.
- In CEE, growth has been underpinned by a strong product-market fit in the green vertical, supported by local subsidy schemes, alongside active diversification into the car segment in recent years.
- In the Baltics, performance has been broad-based across all segments, with car financing showing particularly strong momentum. This has been boosted by new marketplace partnerships and heightened activity in Estonia during 2024, ahead of tax system changes effective from 2025.
- Direct lending has continued to grow steadily, with momentum accelerating in 2025 due to an increased focus on product offerings.
- In addition, Inbank entered into rental segment by acquiring Mobire in 2021, expanding into full-service car rental. This was complemented in 2023 with the launch of a consumer electronics rental solution.

Historical core business key financials

In millions of euros	2022	2023	2024	24 vs. '23	H1 24	H1 25	25 vs. '24
Net interest income	48.1	53.4	67.5	26%	31.4	36.4	16%
Net rental income	6.4	9.6	11.9	24%	5.6	7.1	26%
Net commissions	-2.3	-3.0	-3.4	14%	-0.3	-2.0	589%
Total net income	52.1	60.0	76.1	27%	36.7	41.4	13%
Total operating expenses	30.3	36.9	43.2	17%	20.8	22.7	9%
Operating profit	21.8	23.1	32.8	42%	15.9	18.8	18%
Impairments	11.2	13.2	16.4	24%	7.3	9.3	28%
Income tax	0.2	0.1	1.5	2,101%	0.8	1.3	68%
Net profit	10.4	9.7	15.0	54%	7.7	8.0	3%

Business volumes

Originated volume	573	678	694	2%	328	363	10%
Total assets	1,020	1,321	1,436	9%	1,425	1,499	5%
Loan and rental portfolio	818	1,034	1,155	12%	1,085	1,206	11%
Customer deposits	829	1,082	1,171	8%	1,176	1,233	5%
Equity	102	124	148	19%	133	156	17%

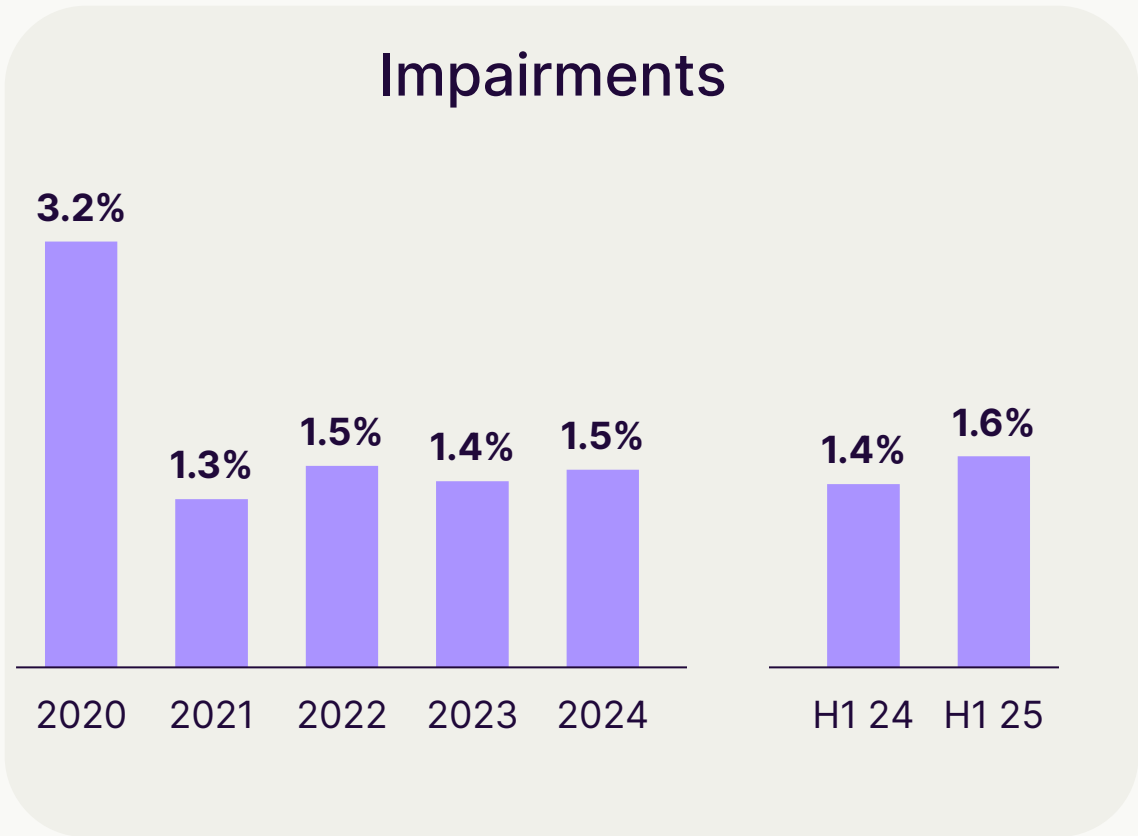
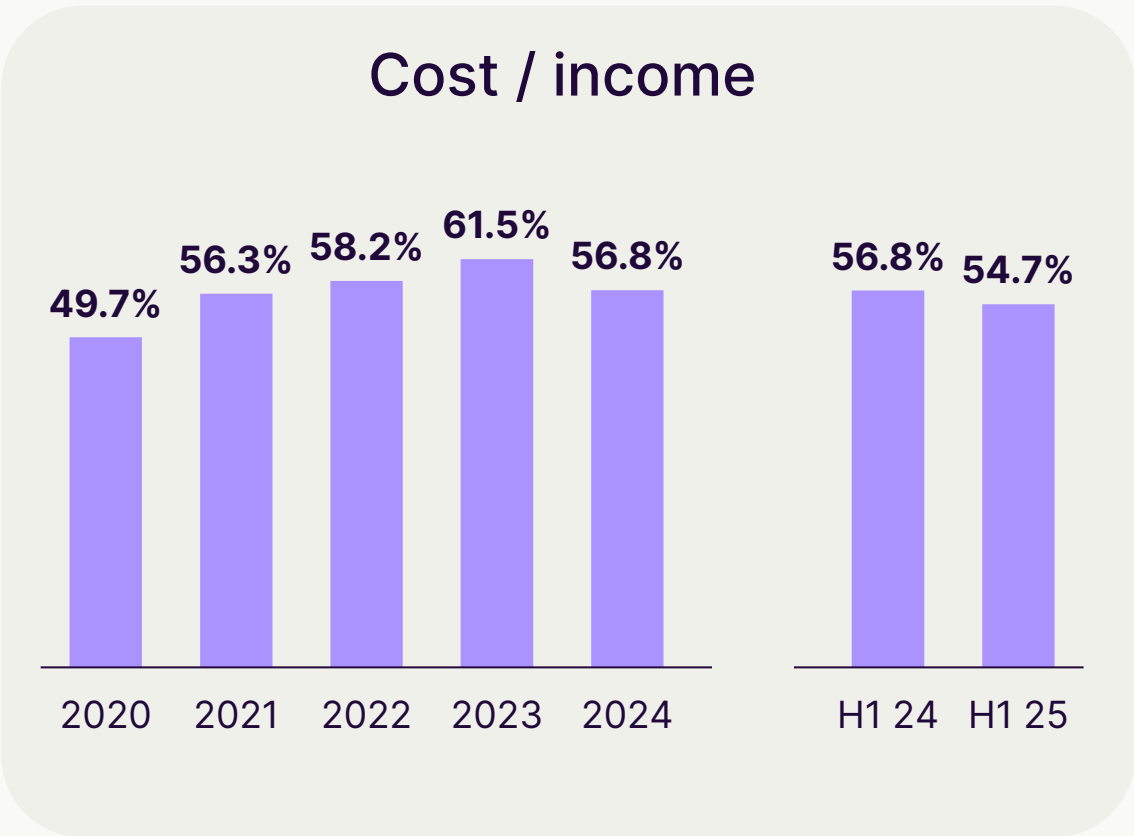
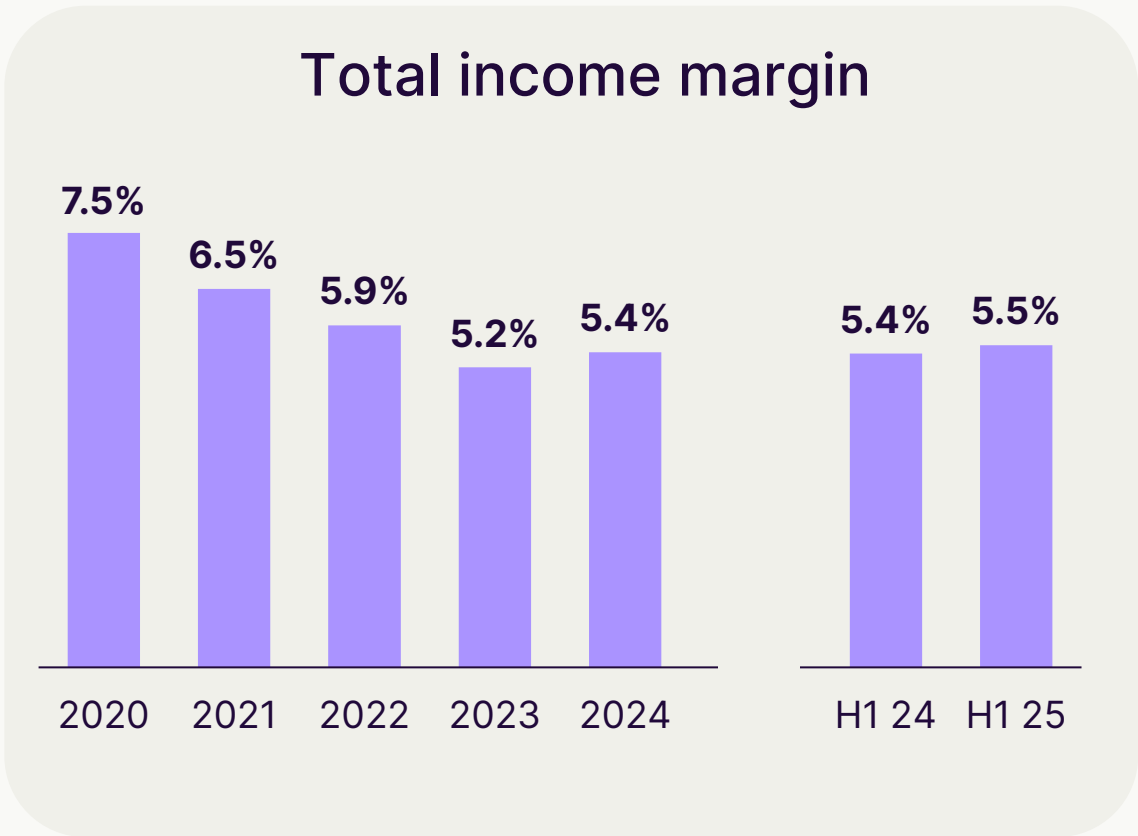
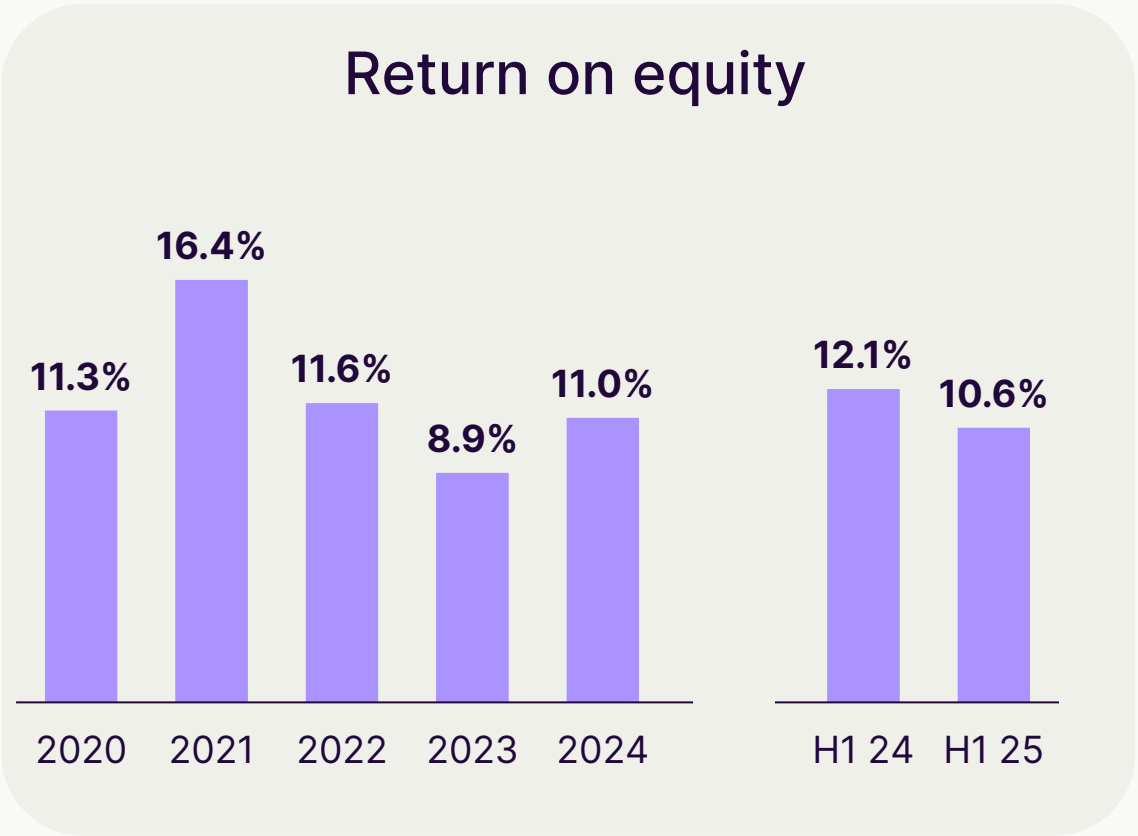
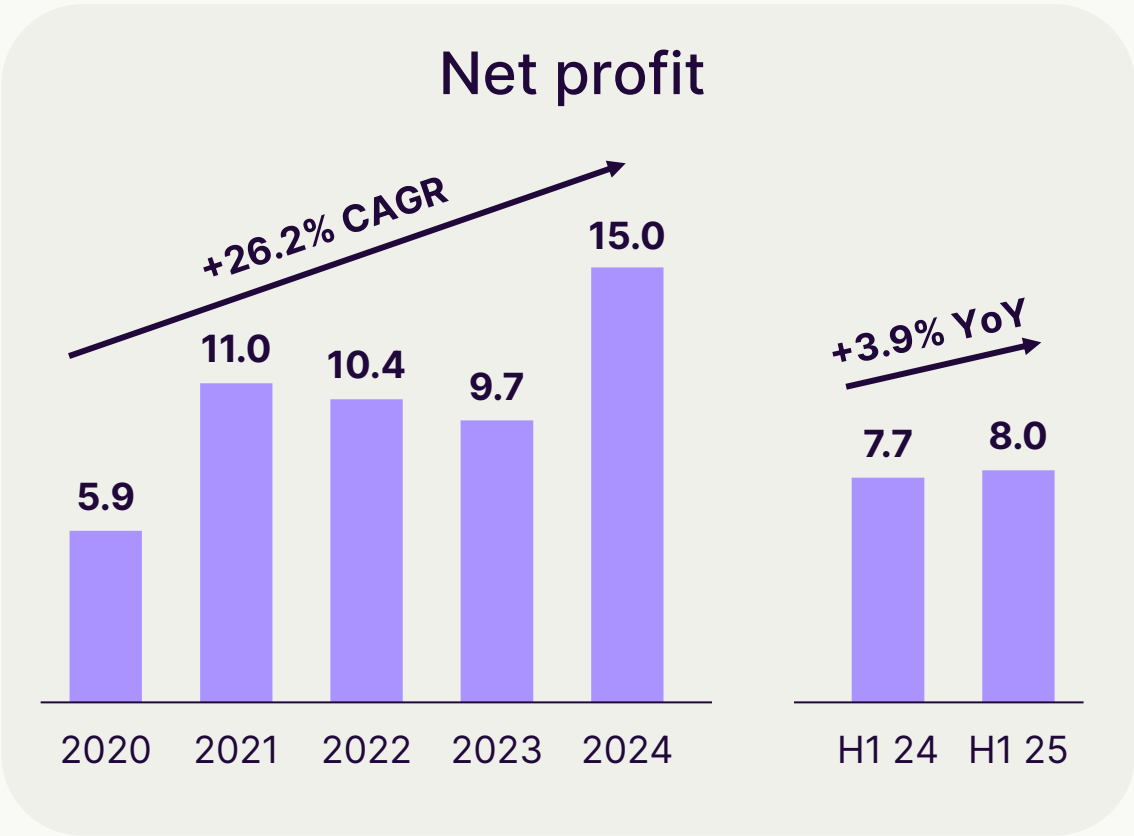
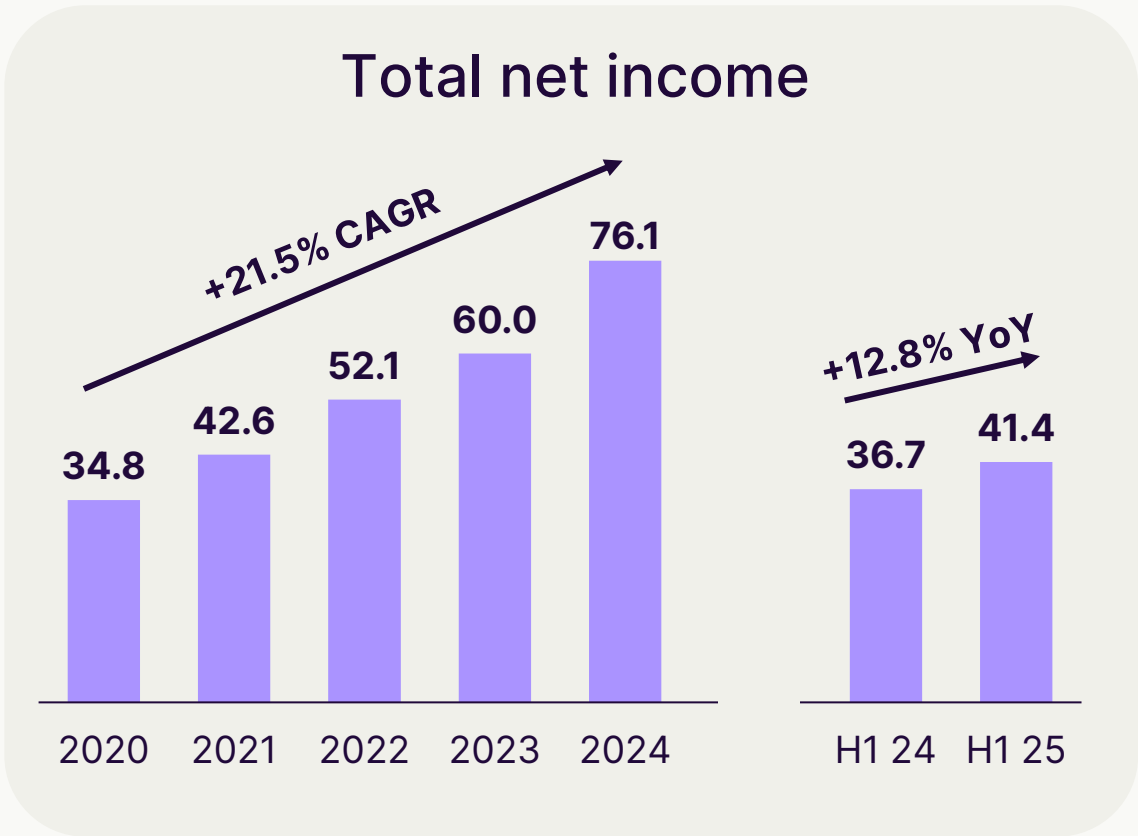
Key financial ratios

Portfolio yield	10.2%	10.9%	11.3%		11.1%	11.3%	
Funding cost	2.6%	4.5%	4.4%		4.5%	4.1%	
Total income margin	5.9%	5.2%	5.4%		5.4%	5.5%	
Impairments / portfolio	1.5%	1.4%	1.5%		1.4%	1.6%	
Cost / income	58.2%	61.5%	56.8%		56.8%	54.7%	
Return on equity	11.6%	8.9%	11.0%		12.1%	10.6%	

- In recent years, we have operated in a rapidly changing and evolving market environment. In 2022 and 2023, rising interest rates and high inflation significantly impacted our funding costs and operating expenses. In 2024, we undertook repricing initiatives and focusd on efficiency, which is resulting in improving margins in recent period.
- Inbank has experienced rapid growth throughout its lifecycle. In 2024, we made a strategic decision to deliberately moderate our growth and focused on scaling the business selectively, with a clear emphasis on strengthening income margins and improving overall profitability.
- Steady, profitable business growth, declining funding costs, and an improved pricing strategy have all contributed to the strong financial performance of Inbank. Key metrics have continued to trend positively, reflecting solid progress toward long-term targets.
- Inbank has consistently reinforced its capital position, attracting additional investments from both local and international investors to support long-term growth.
- Impairments have remained well-controlled and within target levels throughout the period.
- Reported results available at Inbank website: <https://inbank.eu/investors/reporting>

Annual dynamics of core business key metrics





























€ in millions, unless stated otherwise



- Over the past five years, total net income and net profit have followed a consistent upward trajectory. While fair value adjustments have occasionally impacted reported profit, the core business has continued to perform strongly.
- Impairments have remained within the targeted range throughout the period, underscoring strong portfolio quality.
- We continued to invest throughout the period, which led to a deterioration in the cost-to-income ratio in a higher interest rate environment. However, we observed improvement in 2024, with positive momentum continuing into 2025.
- Total income margin has seen a slight decline, mainly due to business diversification and the growing share of green and auto segments. The overall trend remains positive, supported by effective repricing and proactive margin management.

All figures exclude gain and losses from financial items, extraordinary, non-recurring income and expenses, in order to more accurately reflect the core business performance.

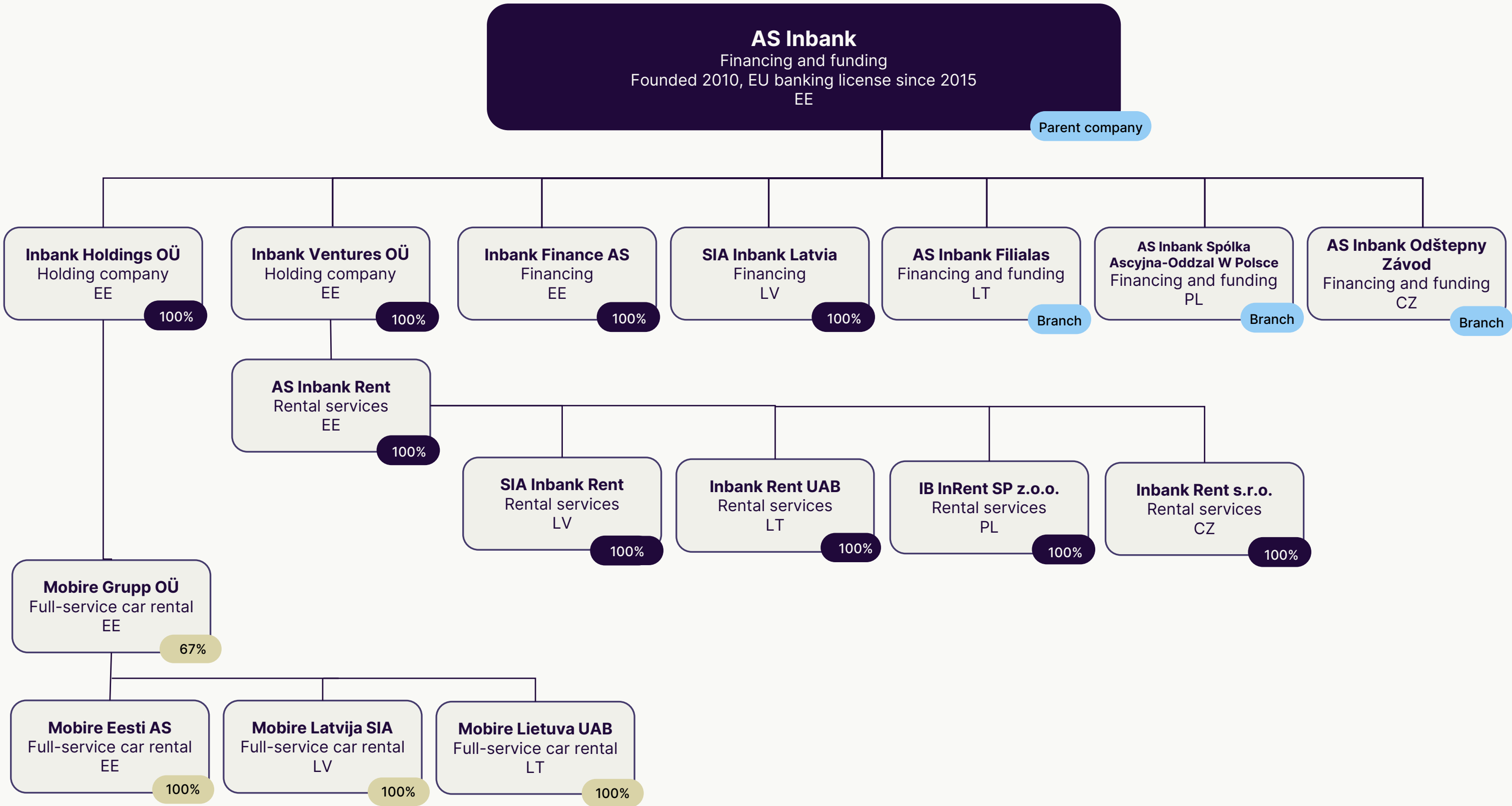
Founder-led entrepreneurial executive and leadership team

Founders		Finance	In-house product and tech	Business development	Partner relations and sales		Legal, compliance and risk control	
								
Priit Põldoja	Jan Andresoo	Marko Varik	Erik Kaju	Piret Paulus	Margus Kastein	Maciej Pieczkowski	Ivar Kurvits	Evelin Lindvers
CEO, Founder	Chairman, Founder	CFO	CPTO	Head of Growth	Head of Baltics	Head of CEE	Chief of Staff	Head of Risk Control
<p>50+ years of combined experience in financial services, including extensive experience in leadership positions in Estonia’s largest bank, Swedbank.</p> <p>Successful track record of launching and scaling fintechs.</p>		<p>Dedicated finance teams with 50+ finance and data experts.</p>	<p>Team of 150+ product experts and software engineers led by former Director of Engineering at Wise.</p>	<p>Dedicated and versatile business development team with experience in launching, scaling, managing and building businesses, M&A.</p>	<p>Team of 150+ sales, marketing and customer service professionals led by managers with 60+ years of combined experience of international sales at consumer finance and FMCG industries.</p>		<p>Legal, compliance, and risk control team with 30+ dedicated specialists with experience from leading Baltic law firms, auditors and banks.</p>	
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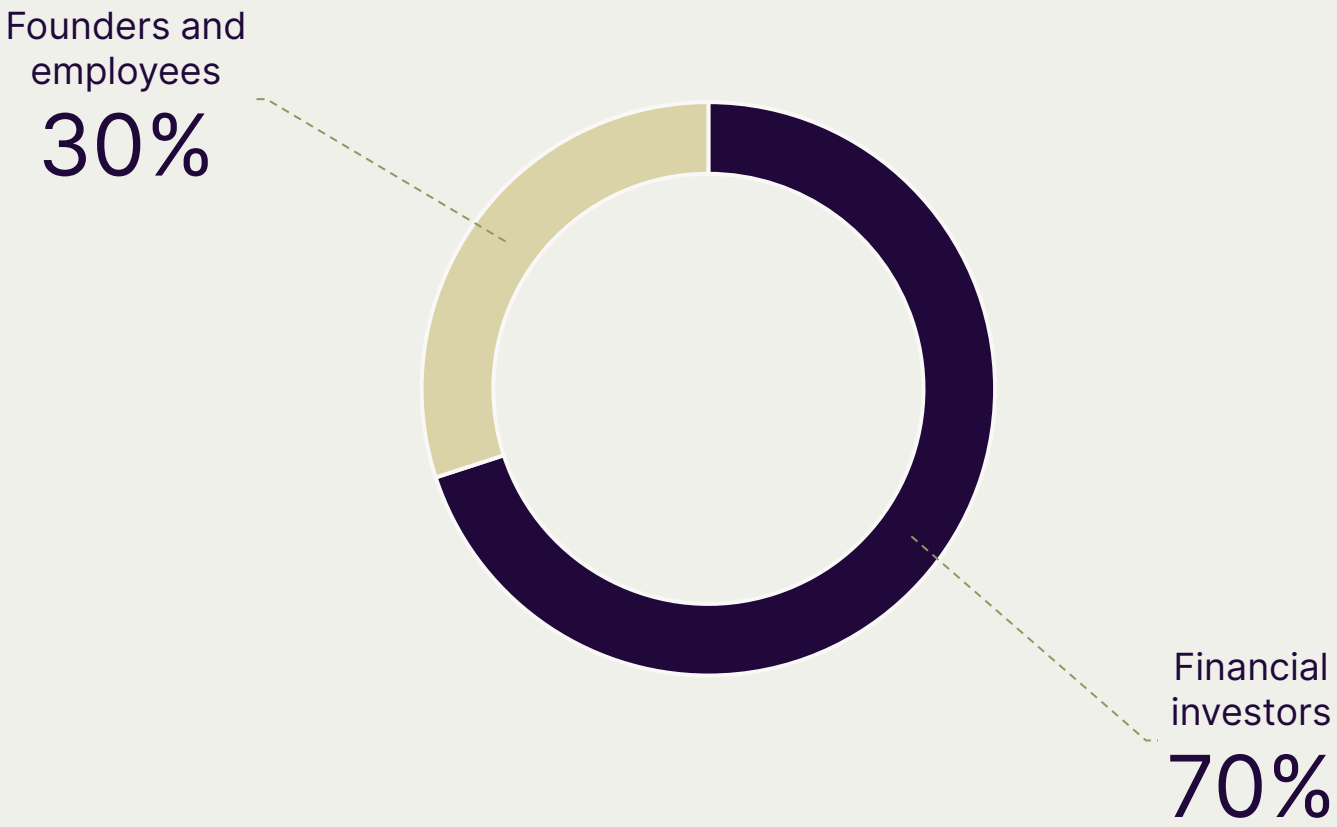
Coupled with highly experienced and reputable supervisory board

 <p>Erkki Raasuke</p> <p>Chairman of the Supervisory Board and Audit and Risk Committee</p> <p>Seasoned financial executive and strategic advisor with 25+ years' experience in banking and corporate governance.</p>	 <p>Jan Andresoo</p> <p>Founder, Member of the Supervisory Board, Chairman of the Remuneration Committee</p> <p>Co-founder of Inbank with extensive hands-on experience in launching, leading and developing scale-ups within the finance sector.</p>	 <p>Roberto De Silvestri</p> <p>Member of the Supervisory Board</p> <p>Established entrepreneur, investor and private banker — founder and head of the real estate investment firm Colonna.</p>	 <p>Triinu Bucheton</p> <p>Member of the Supervisory Board</p> <p>Experienced corporate counsel and entrepreneur with a background at law firm Ellex, PwC & Colonna real estate investment firm.</p>	 <p>Raino Paron</p> <p>Member of the Supervisory Board</p> <p>30+ years of experience as one of Estonia's most highly regarded banking, finance & capital markets lawyers.</p>	 <p>Isabel Faragalli</p> <p>Member of the Supervisory Board</p> <p>Investment banking and structured finance expert with 20+ years of experience executing high-profile cross-border transactions.</p>	 <p>Sergei Anikin</p> <p>Member of the Supervisory Board</p> <p>25+ years of technology sector experience, holding key roles at global and local industry leaders including Microsoft and Pipedrive.</p>
						

Legal structure and main shareholders



Shareholders



Owner	Shares	Ownership %
Cofi Investeeringud OÜ	2,737,500	24%
Other (264 shareholders)	8,782,163	76%
Total	11,519,663	100%
<i>Outstanding employee options</i>	615,130	

2. Tier 2 offering and capitalization

Tier 2 Subordinated Bonds Issue Summary

Notes	Tier 2 Subordinated Bonds
Maturity	10 years, redeemable after 5 years with regulator's approval
Issue date	9 October 2025
Subscription period	23 September 2025 – 3 October 2025
Issue size	EUR 5,000,000 (in case of oversubscription can be increased up to EUR 10,000,000)
Issue date	9 October 2025 (incl. interest Commencement Date)
Minimum investment	EUR 1,000
Nominal value of note	EUR 1,000
Interest rate	Fixed 6.25% p.a., payable quarterly (28 March, 28 June, 28 September, 28 December annually), starting 28 December 2025.
Oversubscription	<ul style="list-style-type: none">• In the event of oversubscription, the Issuer shall reserve the right, to allocate bonds with preference to existing clients, shareholders, bondholders, and/or institutional investors
Status / ranking	<ul style="list-style-type: none">• Below senior securities, unsubordinated creditors and depositors• Pari passu with other Tier 2 Subordinated bonds• Senior to equity and Additional Tier 1 bonds
Use of proceeds	The primary purpose of the Offering is to strengthen the capital structure of the Group to retain a strong capital base for their risk weighted asset base. The proceeds from the Offering will be entirely used for strengthening the Tier 2 regulative capital base.

Subordination, claims in liquidation/bankruptcy and the use of proceeds

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, such as other future or present Tier 2 capital (as defined in Article 71 of the CRR). 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, but before any claims arising from all classes of shares held by shareholders in their capacity as shareholders of the Company and Additional Tier 1 (AT1) capital (as defined in Article 52 of the CRR).

Consent of the bondholders is not necessary for affecting bail-in measures by the relevant Resolution Authority.

Claims in liquidation and bankruptcy

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.

Use of proceeds

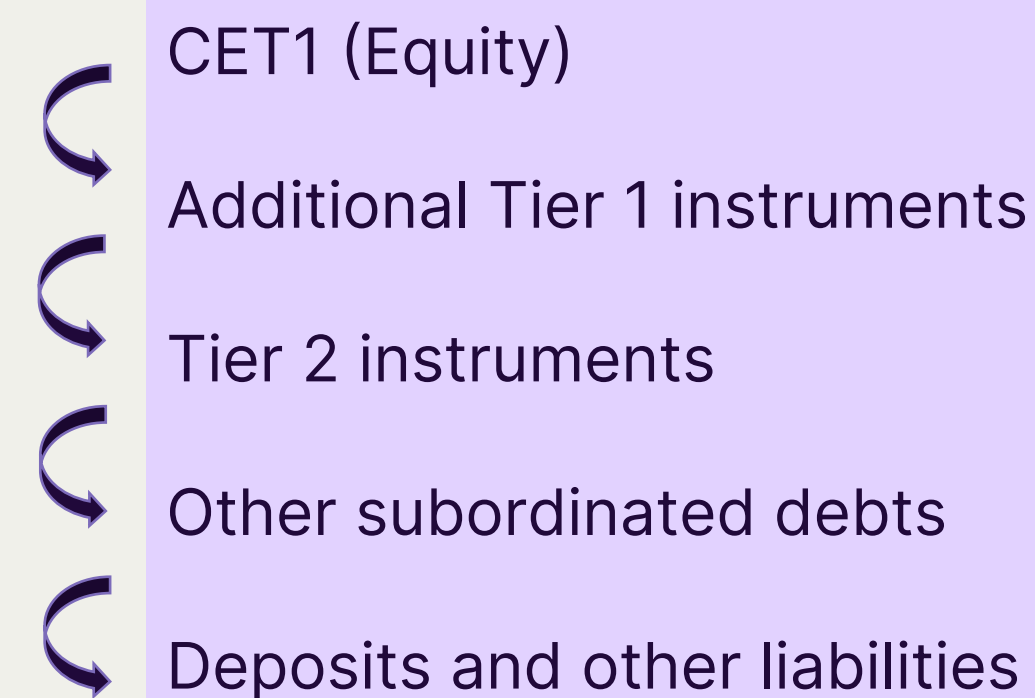
The primary purpose of the Offering is to strengthen the capital structure of the Group to retain a strong capital base for their risk weighted asset base.

The proceeds from the Offering will be entirely used for strengthening the Tier 2 regulative capital base. Conservative capital buffers are needed in advance to support the general corporate purposes, further growth, strengthen the market position of the Group, finance launch of new products and increase the business volumes of the Group.

Tier 2 instruments in capital structure in EU banking

If the bank goes bankrupt, the EU Bank Recovery and Resolution Directive (BRRD) is stating the order of writing down liabilities

Waterfall of losses

- 
- CET1 (Equity)
 - Additional Tier 1 instruments
 - Tier 2 instruments
 - Other subordinated debts
 - Deposits and other liabilities

Capitalization development

Related to volatile economic environment, central banks and regulators have continuously increased capital requirements applied on European banks since 2021. This is also true for Inbank. The level of expected regulatory equity for Inbank has increased from 7.72% of Risk Weighted Assets in 2021 to 10.97% in 2025.

Continuous geographic and product expansion of Inbank and resulting growth in business volumes and Risk Weighted Asset base also requiring further capital.

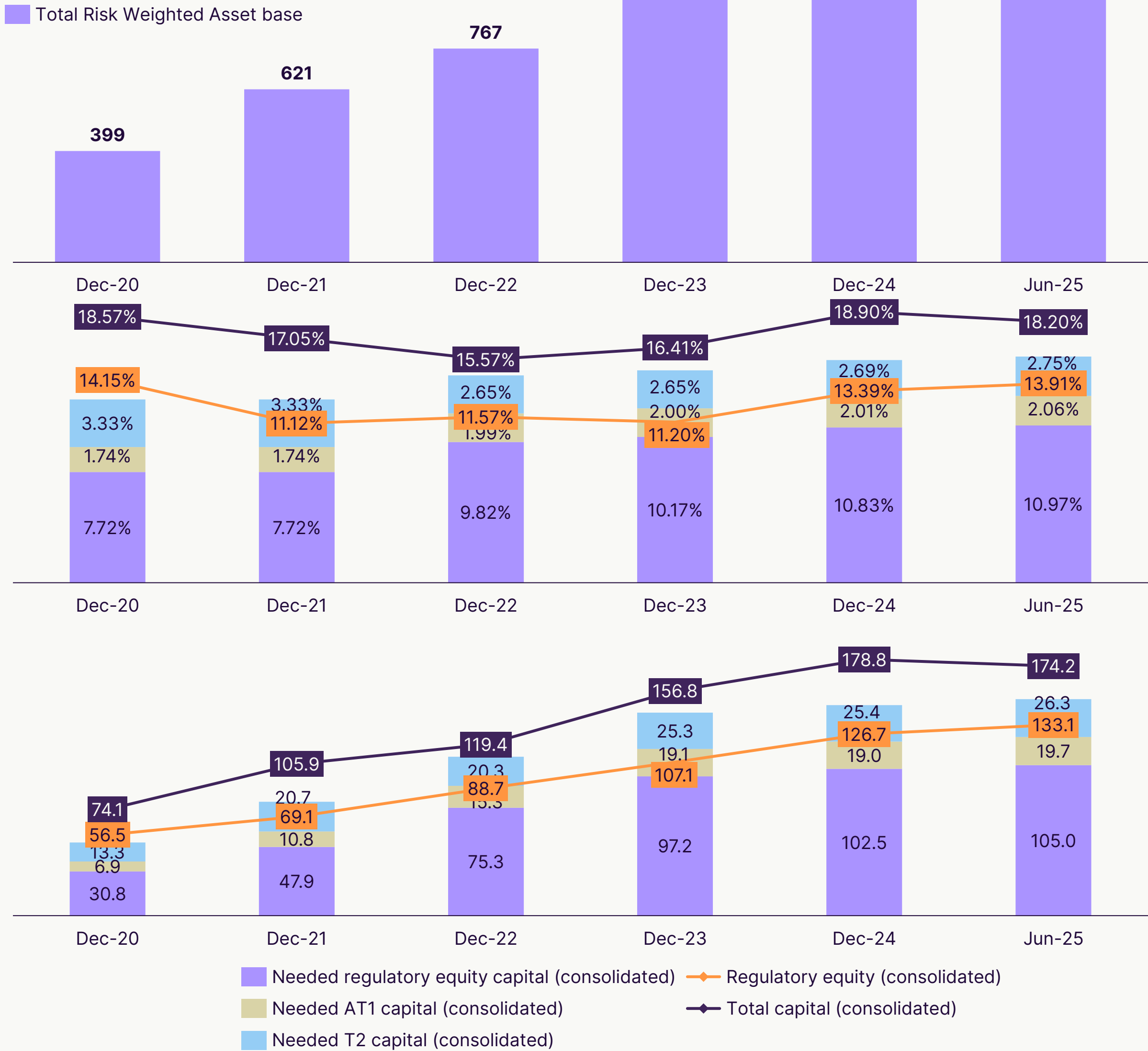
During recent periods, the following capital increases have been successfully completed by Inbank:

- €12.0m of equity raised in October of 2023
- €8.0m of T2 capital raised in December of 2023
- €2.3m of AT1 capital raised in April of 2024
- €10.1m of equity raised in August of 2024.

Regulatory consolidated equity capital of Inbank stood at €133m as of 30.06.2025, returning regulatory equity adequacy of 13.91%.

Total consolidated equity of Inbank as of 30.06.2025 at €156m.

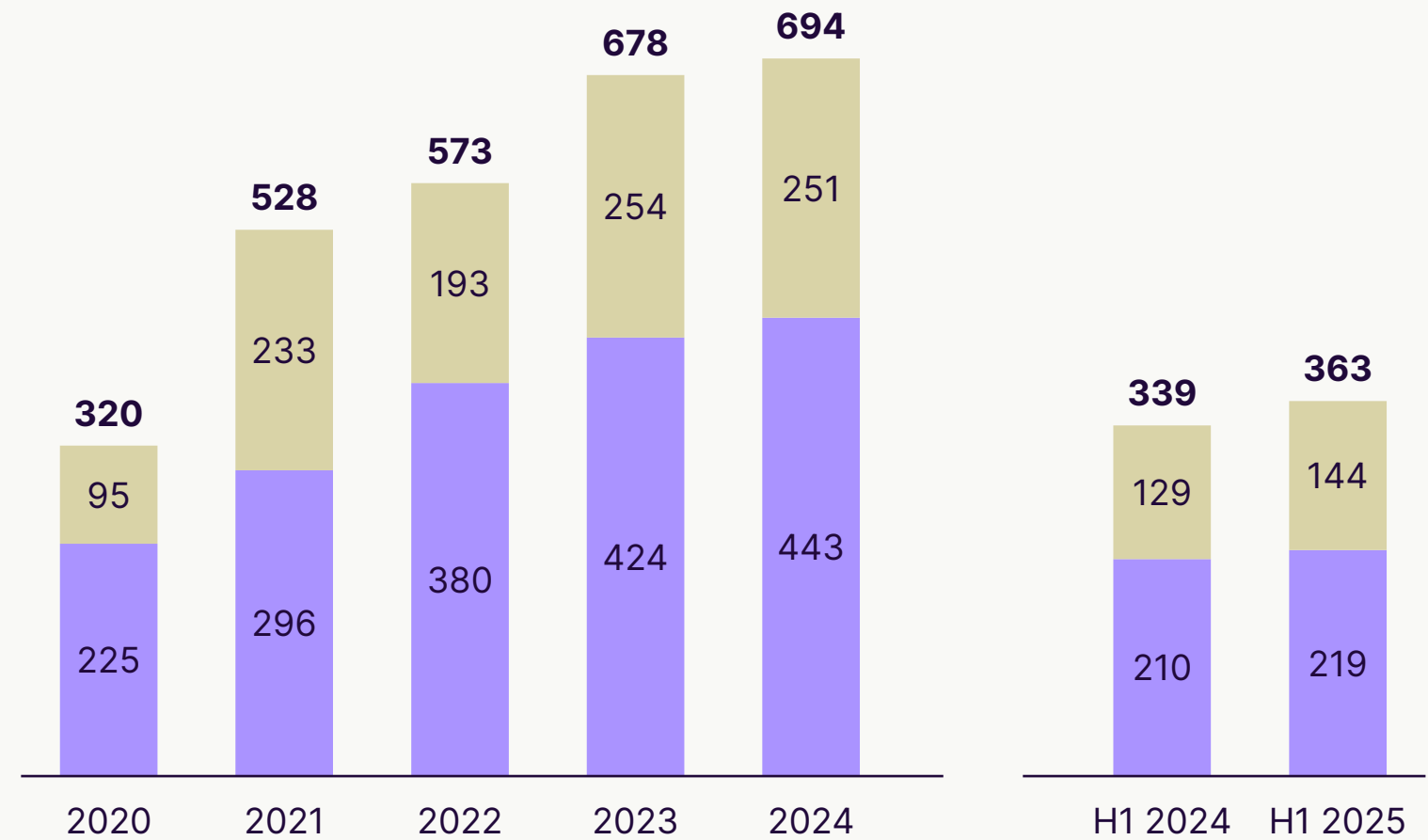
€ in millions, unless stated otherwise



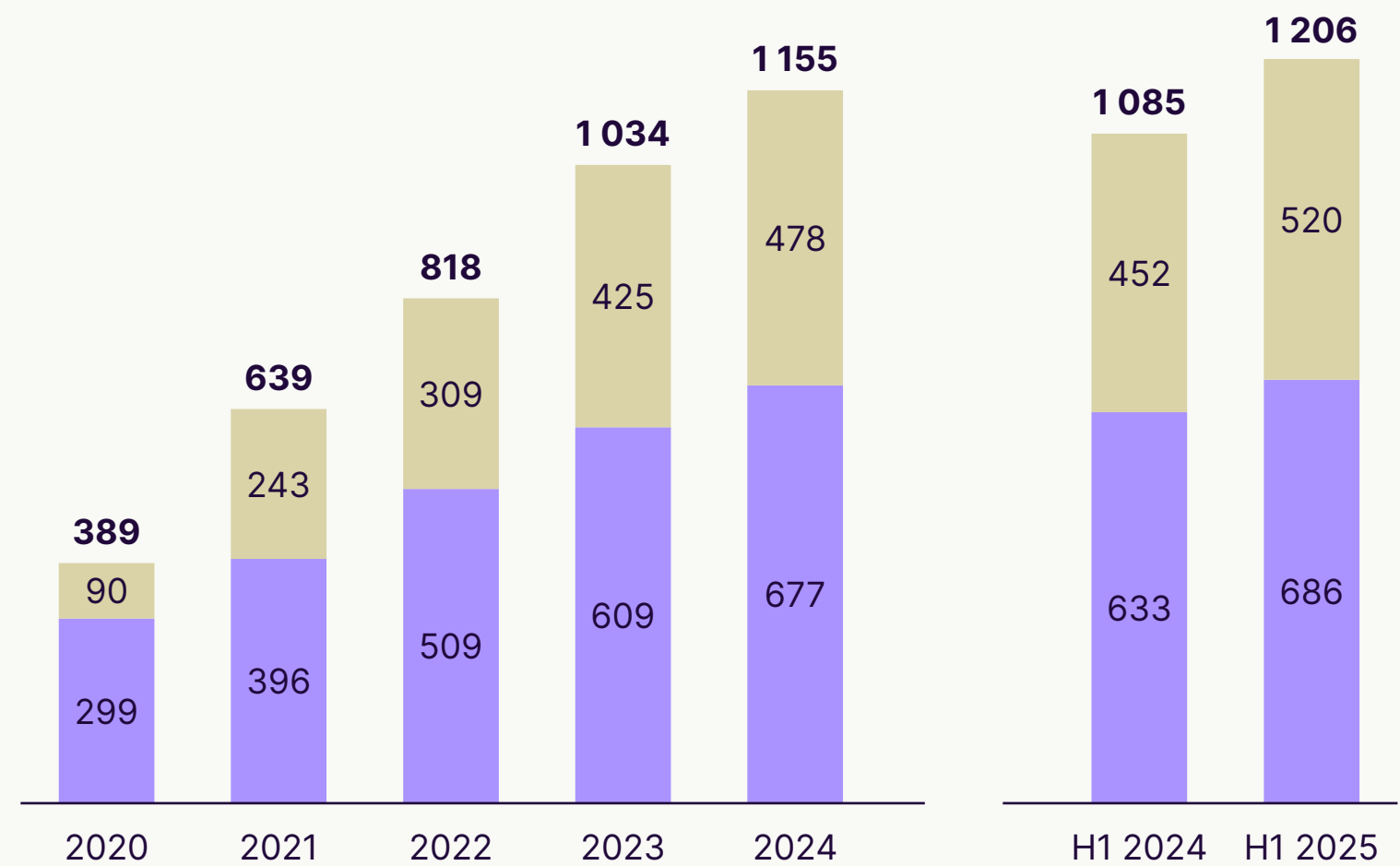
Credit assets

CEE Baltics

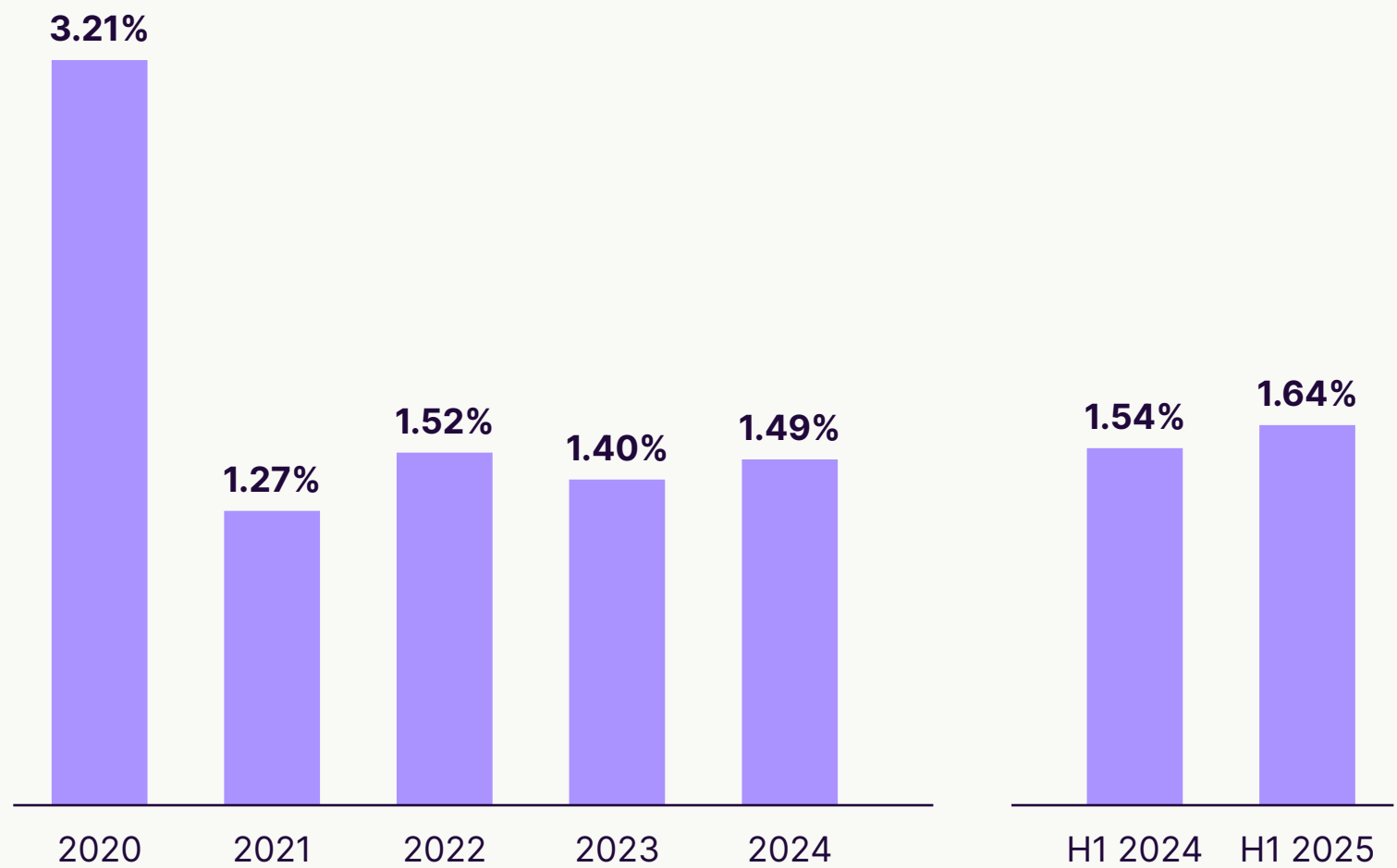
Originated volume, €m



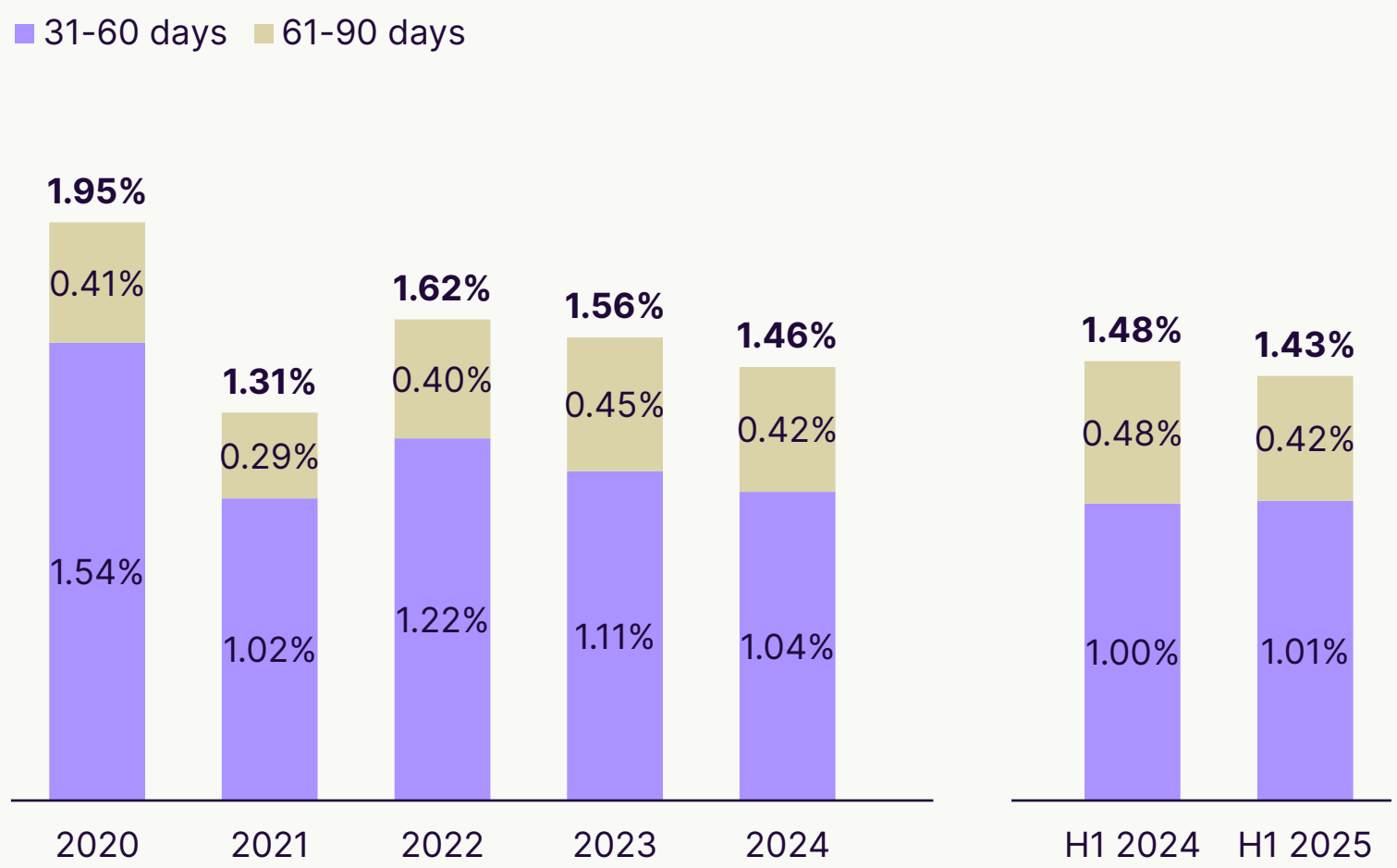
Loan and rental portfolio, €m



Impairment losses to loan portfolio, %



Retail gross portfolio share of OD, %



Starting from 2021 share of CEE credit assets have considerably increased within groups consolidated OV and consolidated Loan and Rental portfolio.

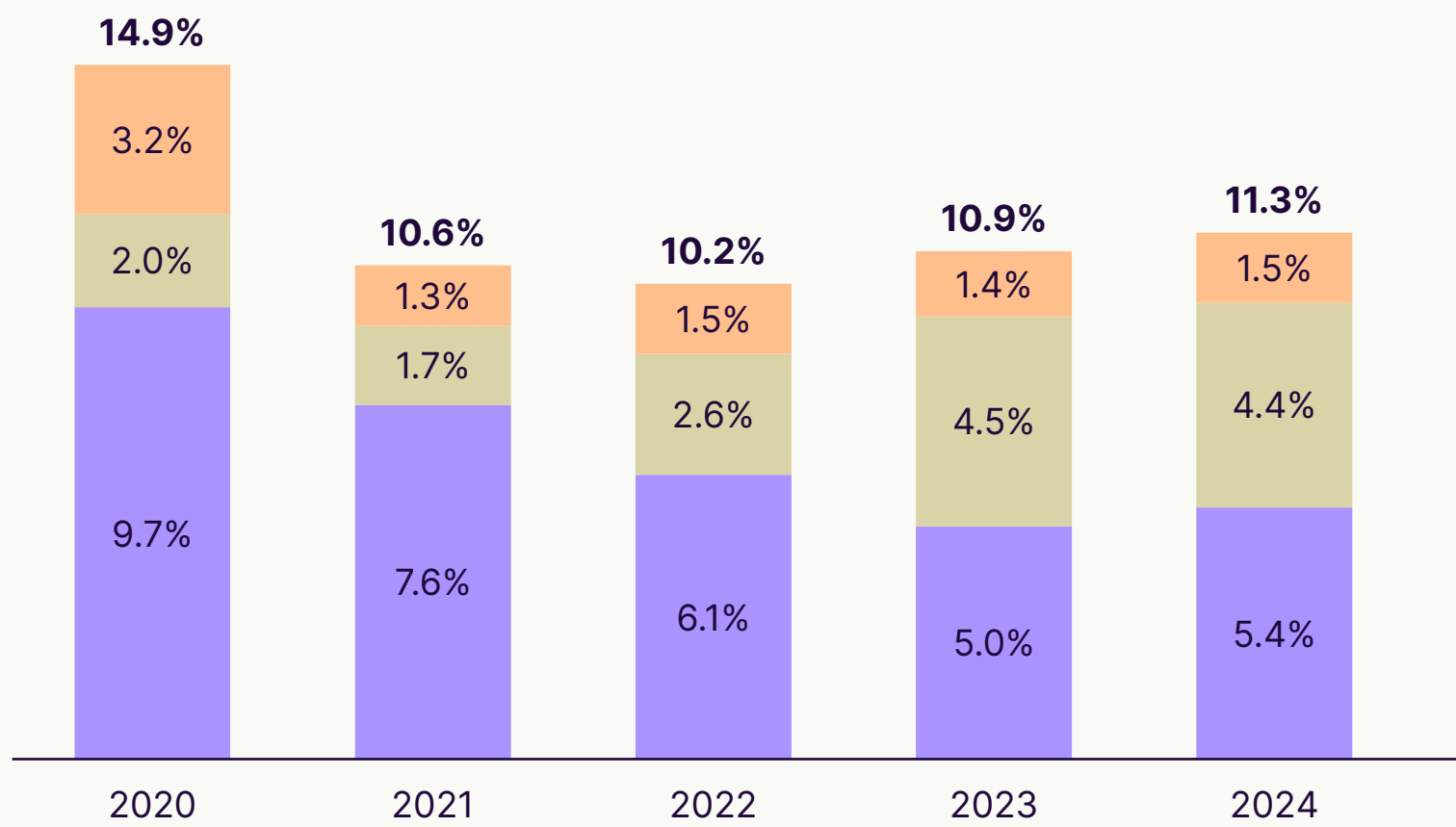
Due to higher concentration on Green financing (mostly solar panels) in CEE, portfolio average Credit quality in the region is stronger than in Baltics. This is also visible through positive trends in Groups average credit quality indicators.

Declining inflation, lower interest rates and stable employments levels have supported the stable portfolio credit quality. Our impairment loss to the average credit portfolio has remained rather flat and share of portfolio in 31-60 and 61-90 days past due groups has improved.

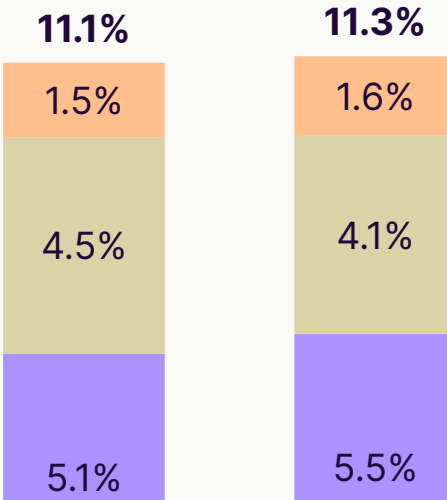
Yielding assets base and unit economics

RAR Funding cost Credit cost

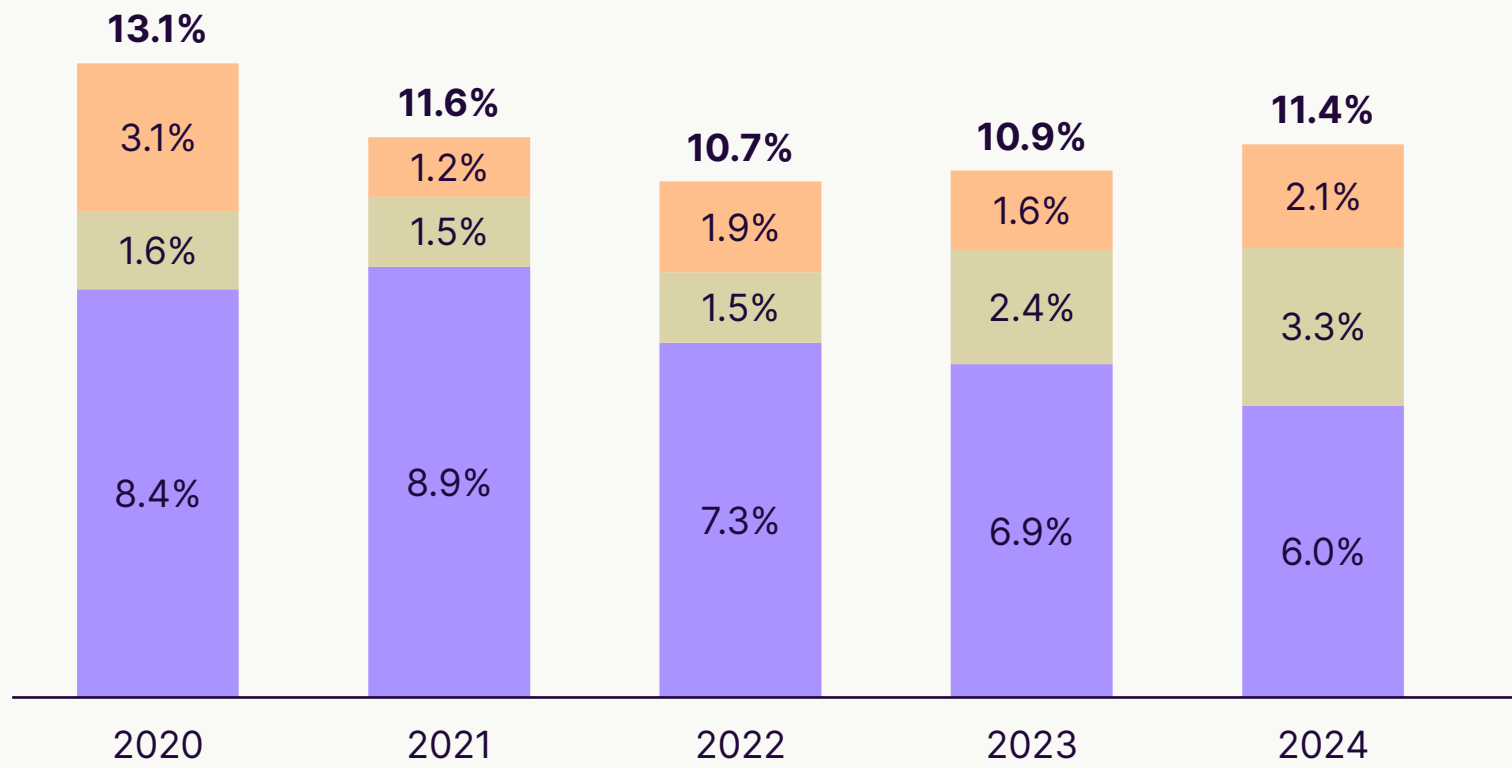
Group



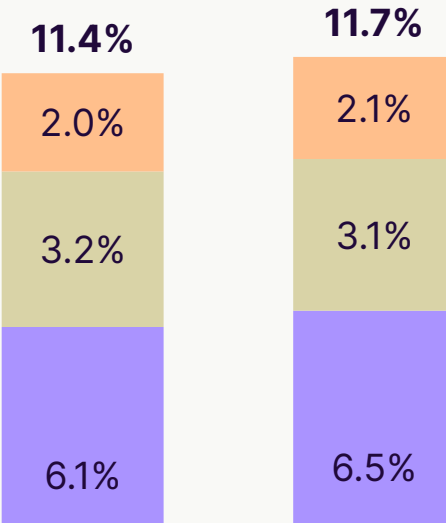
H1 2024 H1 2025



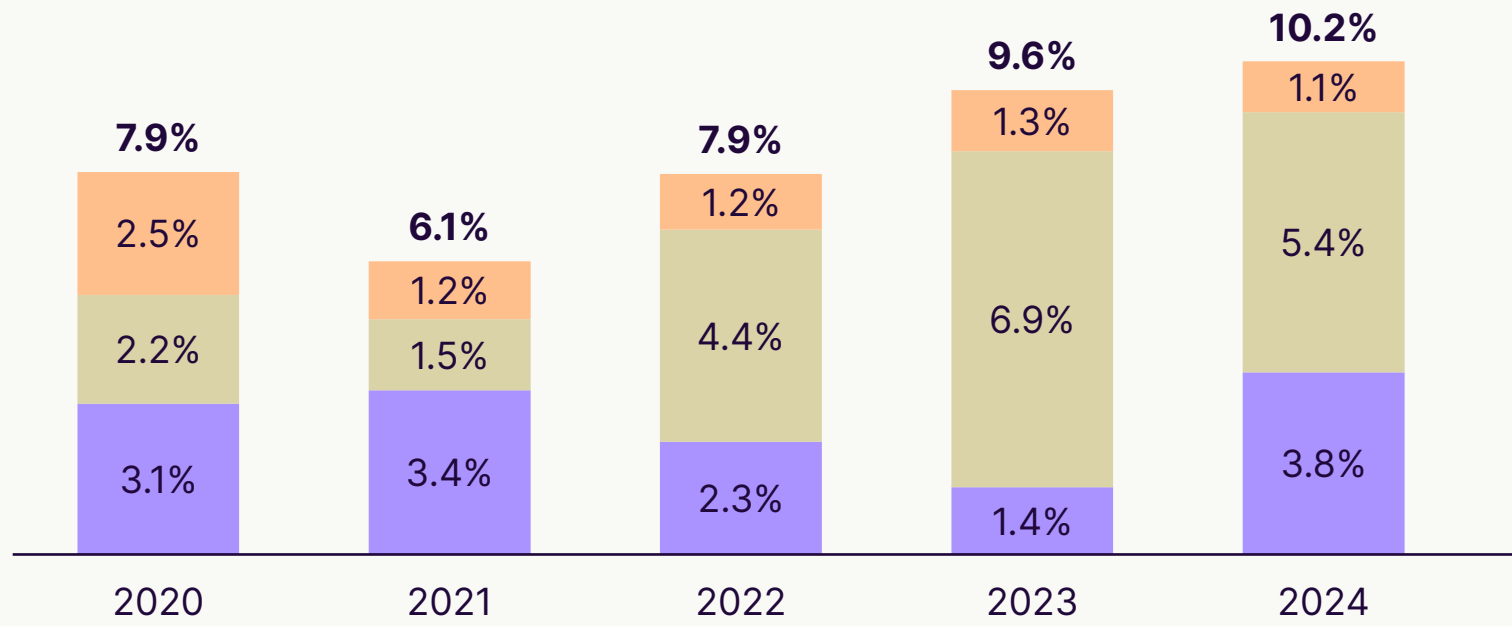
Baltics



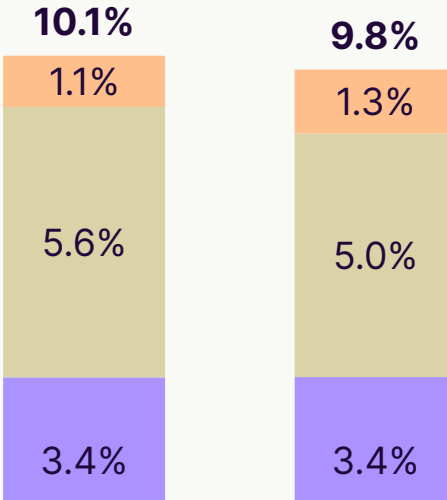
H1 2024 H1 2025



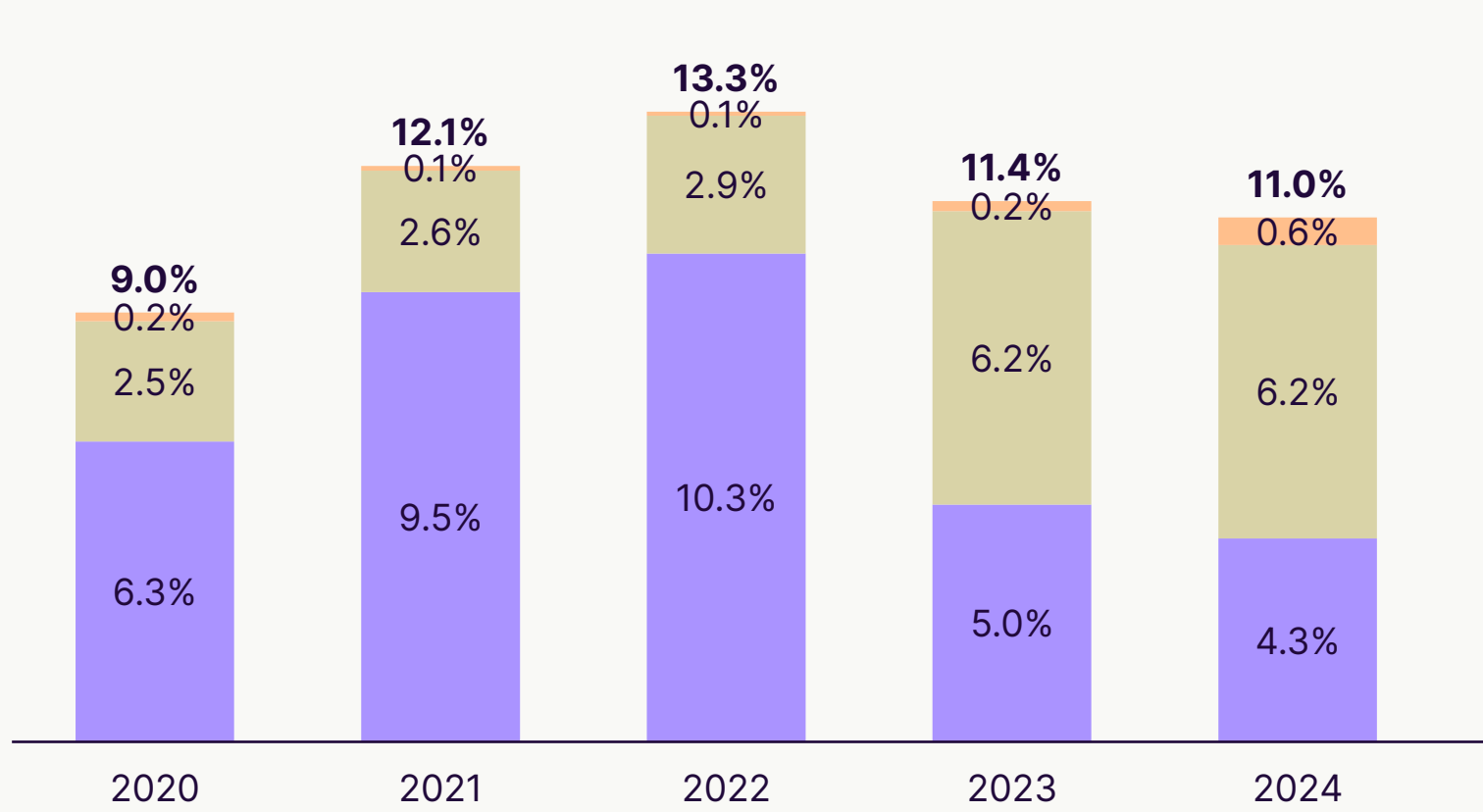
CEE



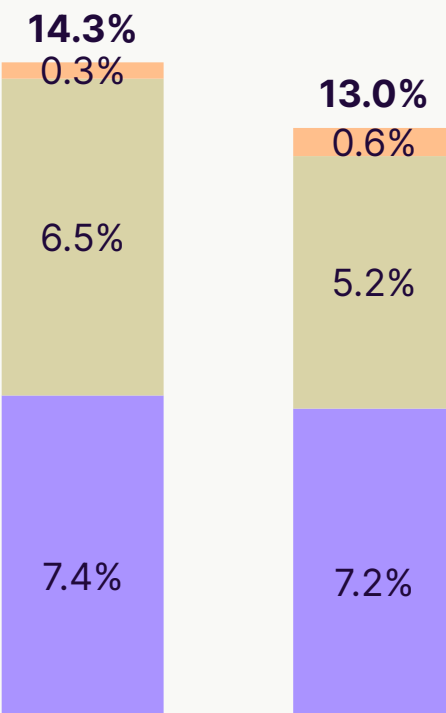
H1 2024 H1 2025



Mobire

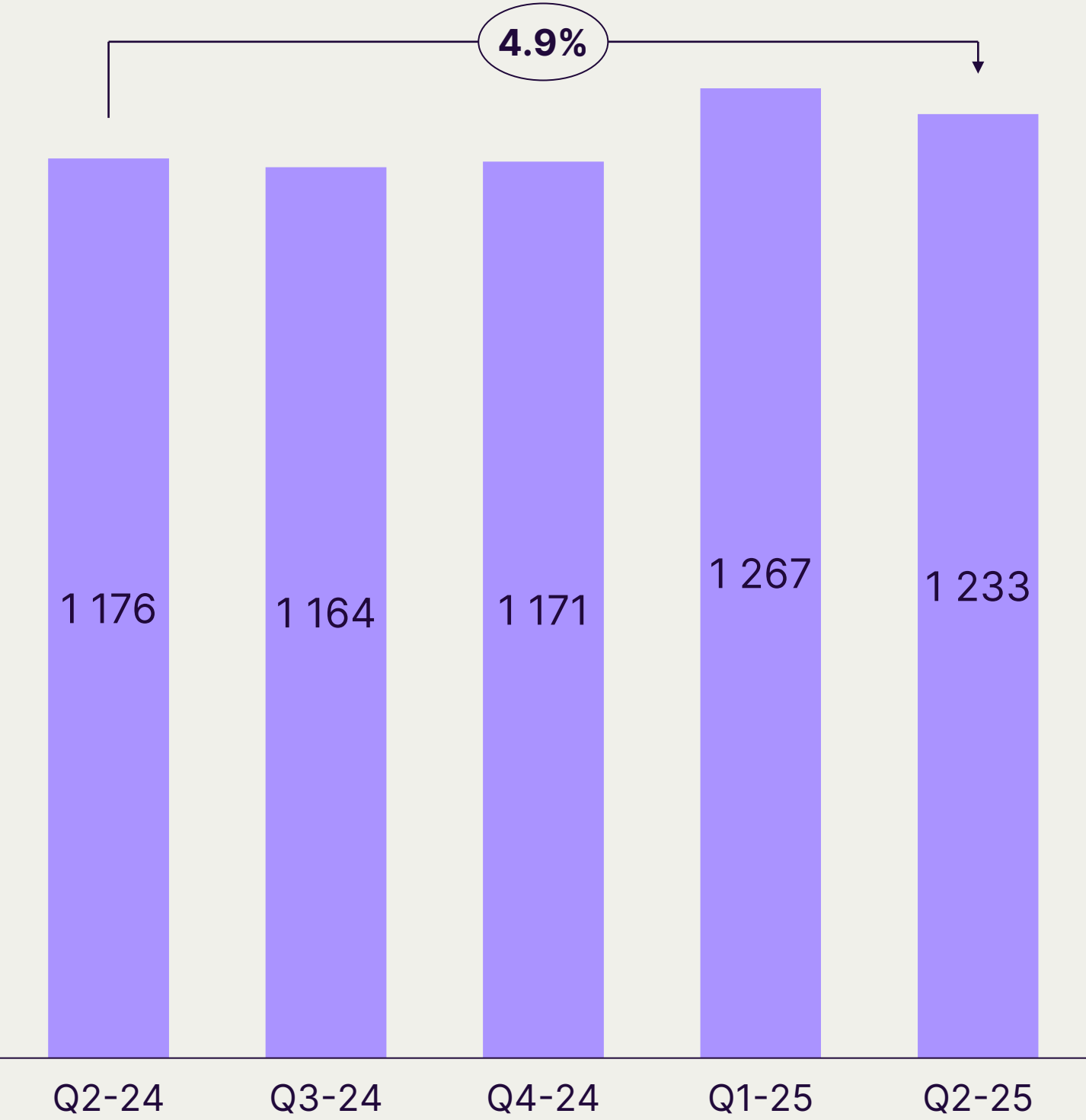


H1 2024 H1 2025

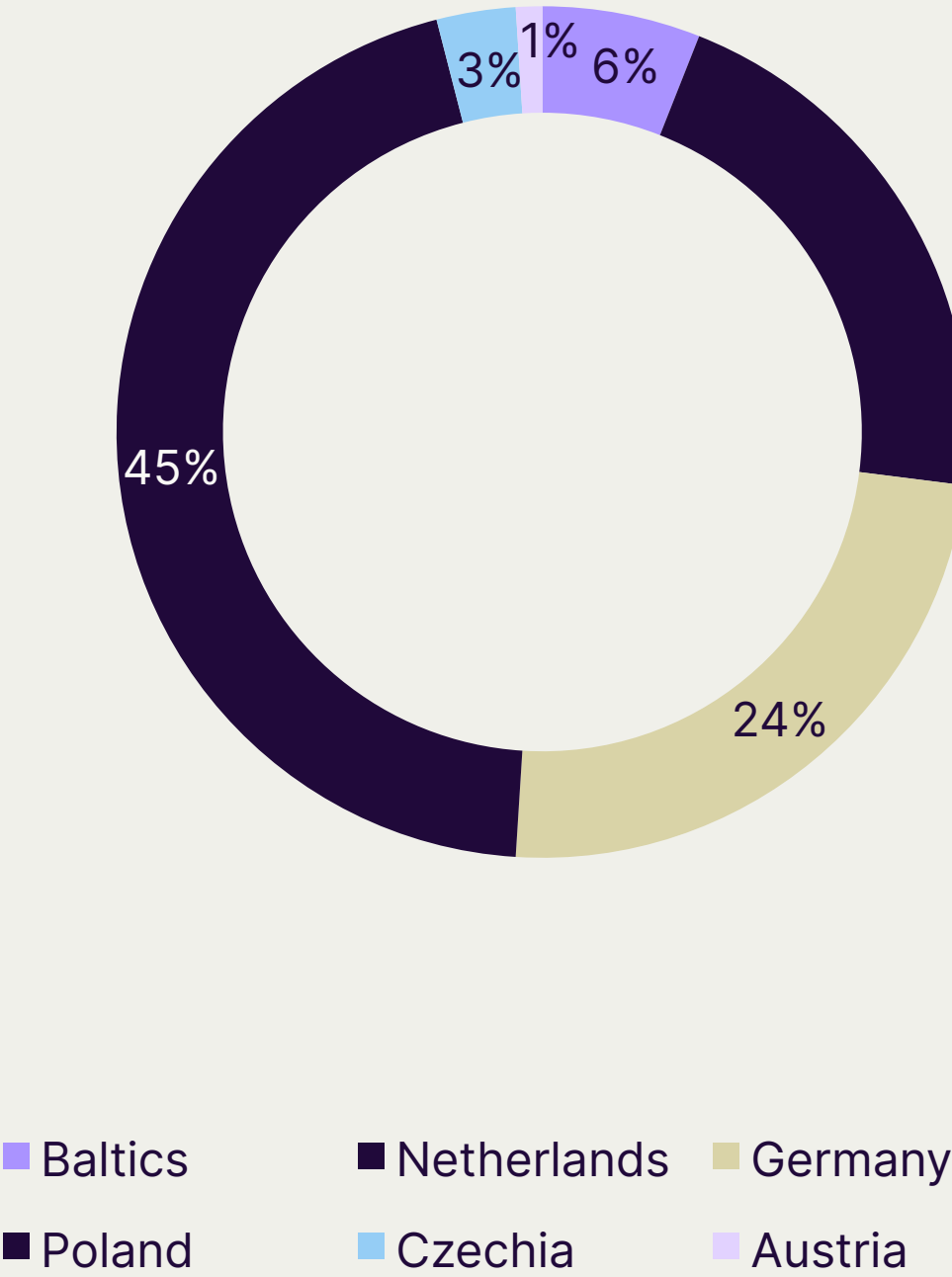


Deposit portfolio

Deposit portfolio, €m



Split by residency



As of 30.06.2025

Inbank has a highly diversified funding base of nearly 114,000 depositors. We accept term deposits from private individuals in Estonia, Lithuania, Poland, Czechia, Germany, Austria, and the Netherlands.

€1.2bn
Deposit portfolio

99%
Deposits covered by the
Estonian Guarantee Fund

~114,000
Active customer contracts

Long history in local capital markets

Overview of Additional Tier 1 and Tier 2 issuances									
	Oct-16	Dec-18	Dec-19	Nov-21	Dec-21	Jun-23	Dec-23	May-24	Total
Instrument type	T2	AT1	T2	AT1	T2	AT1	T2	AT1	8
Capital raised (€m)	6.5	3.15	8.0	4.5	15.0	11.1	8.0	2.34	58.6
Interest rate (%)	7.0%	8.5%	6.0%	7.5%	5.5%	12.0%	9.0%	10.0%	-
Initial issue volume (€m)	5.0	-	6.5	-	12.0	6.0	6.0	2.0	37.5
Oversubscription rate	2.2x	-	5.8x	-	2.7x	1.9x	7.6x	1.5x	-
Number of investors	698	20	1,348	15	1,166	55	2,893	30	6,225
Active	No	No	No	✓	✓	✓	✓	✓	5
Listing venue	-	-	Nasdaq Tallinn Stock Exchange	-	Nasdaq Tallinn Stock Exchange	-	Nasdaq Tallinn Stock Exchange	-	-

Subscription period

10:00 on 23 September 2025	Start of subscription period
16:00 on 3 October 2025	End of subscription period
On 7 October 2025, or date close to that	Announcement on bond allocation
9 October 2025	Notes on securities accounts and interest commencement date
10 October 2025	Anticipated commencement of trading on the Baltic Bond List of Nasdaq Tallinn Stock Exchange

Risks summary (1)

Key risks specific to the Company

Investing in the Bonds entails various risks. All potential investors should thoroughly consider the risks involved, the scope and probability of the risks, and other relevant circumstances. If the risks are realized, investors may lose a part or all of the value of their investment. Below, please find examples of risks which, if realized, may reduce the value of Inbank and the Bonds issued by Inbank.

Counterparty Credit Risk

Credit risk is inherent to the core operations of the Group. 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 considers credit risk as the risk of potential loss which may arise from counterparty's inability to meet its obligations to the Group companies. Materialisation of credit risk may have a material adverse effect on the Group's operations, financial condition and results of operations. Within the credit risk, the Group is also exposed to the following sub-risks.

Market Risk

Market risk arises primarily from the Group's lending and borrowing activities (interest rate risk) as well as open foreign currency positions. The bank does not hold short term positions for trading purposes. Market risk is the risk of potential loss which may arise from unfavorable changes in interest rates or foreign exchange rates. The Group is naturally exposed to the interest rate risk due to changes in the maturities and interest rates of loans and/or deposits. Within the Group, internal judgement and know-how is used to assess and avoid potential market risk losses; however, such internal judgement may turn out to be inaccurate due to changes in the financial markets not foreseen at the time of making the judgement. In order to mitigate the market risk, conservative limits have been established for open market risk and foreign currency exposures of the Group, but despite the measures taken by the Group, the market risk may have a material adverse effect on the Group's operations, financial condition and results of operations.

Interest Rate Risk

The operations of the Group are inherently exposed to interest rate risk. Interest rate risk arises due to the fluctuations of market interest rates over time, while the Group's business involves intermediation activity that produces exposures to both maturity mismatch.

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

Operational risk is a risk of potential loss caused by human, process or information system failures and flaws. 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.

Risks summary (2)

Key risks specific to the Company

Strategic Risk

Strategic risk is the risk that business and competitive environment, impact of regulation on the Group's activities, inadequate implementation of strategy, changes in customer expectations or inadequate implementation of new technologies may cause losses or significantly reduce revenues.

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 bank 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) 10 years ago in Estonia and even more recently in its other markets, 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.

Solvency Risk

Solvency risk is the risk of the Group not having sufficient capital to absorb losses, including the risk of not having sufficient capital to meet the regulatory capital adequacy requirements. Credit institutions and investment firms 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 business model.

Compliance and Regulatory Risks

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 companies acting in the same sector as the Group. Such proceedings include, but are not limited to topics like capital requirements, standards of consumer lending, anti-money laundering ("AML"), anti-bribery, payments, reporting, corporate governance, data protection, etc. As an example, the Estonian Financial Supervision Authority performed an on-site inspection assessing the general governance, compliance function, the management of IT risk, credit risk and liquidity risk, and accuracy of reporting in the Company and resulting in a precept issued on 9 October 2023. The precept listed deficiencies in various areas with deadlines for their elimination. At the date of this presentation, the Company has eliminated all the deficiencies pointed out in the mentioned precept in due time. Although the Company makes every effort to avoid such errors, due to high regulatory standards and the growing business strategy, of the Company, possible deficiencies, that can lead to investigations or regulatory actions, cannot be ruled out. This may have a material adverse effect on the Group's operations, financial conditions and results of operations.

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 significantly impacted by the War in Ukraine.

Risks summary (3)

Key risks specific to the Bonds

Credit Risk

An investment into the Bonds is subject to credit risk, which means that the Company may fail to meet its obligations arising from the Bonds in a duly and timely manner.

Subordination Risk

The Bonds are subordinated to all unsubordinated claims against the Company; however, not to the claims, which are subordinated to the Bonds or which rank pari passu with the Bonds, meaning 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.

Bail-In Risk

If 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), the Bail-In Powers may be exercised by the relevant Resolution Authority, through which: (a) the amount outstanding of the Bonds could be reduced, including to zero; (b) the Bonds could be converted into shares, other securities or other instruments of the Company or another person; (c) the Bonds could be cancelled; and/or (iv) the terms of the Bonds could be altered (e.g. the maturity date or interest rate of the Bonds could be changed).

Early Redemption Risk

The Bonds may be redeemed prematurely on the initiative of the Company any time after the lapse of five years from the issue of the Bonds. The Bonds may, however, be redeemed prematurely by the Company only if the EFSA (or the European Central Bank if it is in the competence thereof) has granted its consent to the early redemption.

No Ownership Rights

An investment into the Bonds is an investment into debt instruments, which does not confer any legal or beneficial interest in the equity of the Company or any of the Subsidiaries thereof or any voting rights or rights to receive dividends or other rights which may arise from equity instruments.

Tax Regime Risks

Adverse changes in the tax regime applicable in respect of transacting with the Bonds or receiving interest or principal payments based on the Bonds may result in an increased tax burden of the bondholders and may therefore have adverse effect on the rate of return from the investment into the Bonds.

Cancellation of Offering

Although best efforts will be made by the Company to ensure that the Offering is successful, the Company cannot provide any assurance that the Offering will be successful and that the investors will receive the Bonds they subscribed for.

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