



Hepsor AS

(a public limited company registered in the Republic of Estonia)

BASE PROSPECTUS

This Public Offering and Admission to Trading Prospectus (the **Prospectus**) has been drawn up and published by Hepsor AS (an Estonian public limited company, registered in the Estonian Commercial Register under register code 12099216, having its registered address at Järvevana tee 7b, 10112 Tallinn, Estonia; the **Company**) in connection with the public offering and admission to trading of the Bonds issued by the Company on the Baltic Bonds List of the Nasdaq Tallinn Stock Exchange.

The Company has decided on 29 October 2025 to launch a programme for publicly offering bonds (the **Bonds**) to institutional and retail investors in any or all of Estonia, Latvia, and Lithuania (the **Offering**) whereas the issue of each series will be decided separately (the **Programme**). The total volume of the Programme is EUR 20,000,000. The Company may also offer the Bonds non-publicly to investors in any Member State of the European Economic Area (the EEA) in circumstances described in Article 1(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as supplemented or amended from time to time (the **Prospectus Regulation**).

The function of this Prospectus is to give information about the Company, the Programme, and the Bonds. Each issue and offering of the Bonds will be decided and announced separately.

The Company will, simultaneously with the Offering, apply for the admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. Each series of Bonds to be issued under the Programme will be applied to be admitted to trading on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange upon submission of the relevant Final Terms (as defined below) of the Bonds and other required information.

This Prospectus has been approved by the Estonian Financial Supervision and Resolution Authority (the **EFSA**), as competent authority under the Prospectus Regulation, on 10 November 2025 under registration number 4.3-4.9/5806. The EFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and should not be considered as an endorsement of the Company and the quality of the Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Investing into Bonds involves risks. Each potential investor in the Bonds must determine, based on their independent review and, if appropriate, professional advice, that investing in the Bonds is suitable in light of their financial circumstances and objectives. While every care has been taken to ensure that this Prospectus presents a fair and complete overview of the material risks related to the Company, the operations of the Company and its subsidiaries (the Group) and to the Bonds, the value of any investment in the Bonds may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in this Prospectus. Each decision to invest in the Bonds must be based on the Prospectus in its entirety. Therefore, we suggest you familiarise yourselves with the Prospectus thoroughly.

The Prospectus is valid until 7 November 2026. The Company is obligated to update the Prospectus by publishing a supplement only in case new facts, material errors or inaccuracies occur, and such an obligation does not apply after the end of the validity period of the Prospectus.

NOTICE TO ALL INVESTORS

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Bonds offered by any person in any jurisdiction in which such an offer or solicitation is unlawful, in particular in or into the Restricted Territories (as defined in Section 11 “Glossary”) or the Excluded Territories (as defined in Section 11 “Glossary”). The Bonds have not been and will not be registered under the relevant laws of any state, province or territory other than Estonia, Latvia, and Lithuania, and may not be offered, sold, transferred or delivered, directly or indirectly, within any other jurisdiction that Estonia, Latvia, and Lithuania, except pursuant to an applicable exemption. The Bonds shall be not offered, sold, transferred or delivered, directly or indirectly to any Russian or Belarussian national or natural persons residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus, and regardless of nationality residence or establishment to any person to whom such offering, sale, transfer or delivery of Bonds is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the European Union, the United Nations or the United States.

Distribution of copies of the Prospectus or any related documents are not allowed in those countries where such distribution or participation in the Offering of the Bonds requires any extra measures or is in conflict with the laws and regulations of these countries. Persons who receive this Prospectus or any related document should inform themselves about any restrictions and limitations on distribution of the information contained in this Prospectus and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into the Restricted Territories or the Excluded Territories. No action has been taken by the Company in relation to the Bonds or rights thereto or possession or distribution of this Prospectus in any jurisdiction where action is required, other than in Estonia, Latvia, and Lithuania. The Company is not liable in cases where persons or entities take measures that are in contradiction with the restrictions mentioned in this paragraph.

INFORMATION FOR UNITED STATES INVESTORS

The Bonds have not been approved or disapproved by any United States’ regulatory authority. The Bonds will not be, and are not required to be, registered with the SEC under the US Securities Act of 1933, as amended (the Securities Act) or on a United States securities exchange. The Company does not intend to take any action to facilitate a market for the Bonds in the United States. The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

MIFID II PRODUCT GOVERNANCE

Solely for the purposes of the manufacturer’s product approval process in accordance with Directive 2014/65/EU (MiFID II) and the ESMA Guidelines on MiFID II product governance requirements (ESMA35-43-620), the target market assessment for the Bonds has concluded that: (i) the Bonds are compatible with the needs of eligible counterparties, professional clients and retail clients (each as defined in MiFID II); (ii) for retail clients, the Bonds are suitable for investors with at least a basic knowledge and experience of debt instruments, who are able to bear a total loss of their investment, whose investment objectives include capital preservation and income generation, and whose risk tolerance is consistent with a conservative or balanced risk profile; (iii) the Bonds are intended to be held to maturity and are therefore suitable for investors with an investment horizon corresponding to the term of the Bonds.

For the purposes of the Estonian Securities Market Act, the Bonds qualify as non-complex instruments (standard debt securities without derivatives, convertibility or leverage) and, accordingly, no key information document (KID) under Regulation (EU) No 1286/2014 (PRIIPs Regulation) is required.

All channels for distribution to eligible counterparties and professional clients are considered appropriate. For retail clients, the Bonds may be distributed through investment advice, portfolio management, non-advised sales and execution-only services, in each case subject to the distributor's suitability and appropriateness obligations under MiFID II. Any distributor subsequently offering, recommending or selling the Bonds is responsible for carrying out its own target market assessment (by either adopting or refining the manufacturer's assessment) and determining appropriate distribution channels.

For the avoidance of doubt, the negative target market comprises investors who do not qualify as eligible counterparties, professional clients or retail clients with basic knowledge of debt instruments, who are unable to bear the risk of loss of their investment, or whose investment objectives require capital protection or risk-free products.

The date of this Prospectus is 7 November 2025.

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1. INTRODUCTORY INFORMATION

1.1 Applicable Law

The Prospectus has been drawn up in accordance with Regulation No 2017/1129/EU of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the **Prospectus Regulation**) and in accordance with Commission Delegated Regulation No 2019/980/EU of 14 March 2019 supplementing Regulation No 2017/1129/EU of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation No 809/2004/EC (the **Delegated Regulation**), in particular with Annexes 6 and 14 thereof.

This Prospectus is governed by Estonian law. Any disputes arising in connection with the Offering shall be settled by Harju County Court (*Harju Maakohus*) in Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law, which cannot be derogated from by an agreement of the parties.

Before reading this Prospectus, please take notice of the following important introductory information.

1.2 Persons Responsible and Limitations of Liability

The person responsible for the information given in this Prospectus is Hepsor AS (the **Company**). The Company accepts responsibility for the fullness and correctness of the information contained in this Prospectus as of the date hereof. Having taken all reasonable care to ensure that such is the case, the Company believes that the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts, and contains no omission likely to affect its import.

Martti Krass

Member of the Management Board

[digitally signed]

Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Prospectus solely based on the summary of this Prospectus, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid the investors when considering whether to invest in the Bonds.

The Company will not accept any responsibility for the information pertaining to the Offering, the Company, or its operations, where such information is disseminated or otherwise made public by third parties either in connection with the Offering or otherwise.

1.3 Presentation of Information

Final Terms and Reading the Prospectus. The Bonds are issued in series and both the conditions and information in this Prospectus and the Final Terms of each series drawn up specifically for the respective series (the **Final Terms**) are applicable to the Bonds in each such series. The Prospectus should be read together with all supplements and in respect of each series of bonds with the Final Terms of such series. The Final Terms of each series will be published together with the summary drawn up for such series on the website of the Company at <https://hepsor.ee/en/for-investors/bonds/>. The Final Terms and summary of the separate series are not approved by the EFSA or any other supervisory authority but will be filed with the EFSA.

Rounding of Numbers. Numerical and quantitative values in this Prospectus (e.g. monetary values, percentage values, etc.) are presented with such precision that is deemed by the Company to be sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented as percentages do not necessarily add up to 100% due to the effects of rounding. Exact numbers may be derived from the Financial Statements to the extent that the relevant information is reflected therein.

Currencies. In this Prospectus, financial information is presented in euro (EUR), the official currency of the European Union Member States in the Eurozone.

Date of Information. This Prospectus is drawn up based on information which was valid as of the date of the Prospectus. Where not expressly indicated otherwise, all information presented in this Prospectus (including the consolidated financial information of the Group, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the date of the Prospectus. Where information is presented as of a date other than the date of this Prospectus, this is identified by specifying the relevant date.

Third Party Information and Market Information. For portions of this Prospectus, certain information may have been sourced from third parties. Such information is accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets in which the Company and its subsidiaries operate is based on the best assessment made by the Management (as defined in Section 11 “Glossary”). With respect to the industry in which the Company and its subsidiaries are active and certain jurisdictions in which they conduct their operations, reliable market information is often not available or is incomplete. While every reasonable care was taken to provide best possible assessments of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation of the relevant markets or employ a professional consultant.

Updates. The Company will update the information contained in this Prospectus only to such extent and at such intervals and by such means as required by the applicable law or considered necessary and appropriate by the Management. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus (please refer to Section 1.5 Forward-Looking Statements” below).

Definitions of Terms. In this Prospectus, capitalised terms have the meaning ascribed to them in Section 11 “Glossary”, with the exception of such cases where the context evidently requires to the contrary, whereas the singular shall include plural and vice versa. Other terms may be defined elsewhere in the Prospectus.

References to the Company’s website. This Prospectus contains references to the Company’s website(s). The Company is not incorporating by reference into this Prospectus any information posted on such website(s). The information on the websites does not form part of the Prospectus and has not been scrutinised or approved by the EFSA, except for hyperlinks to information that is incorporated by reference as specified in Section 1.4 Information Incorporated by Reference”.

1.4 Information Incorporated by Reference

The following information has been incorporated into this Prospectus by reference:

- (i) the Terms and Conditions of the Bonds (available at https://hepsor.ee/Hepsor_AS_Terms_and_Conditions_of_the_Bonds.pdf);
- (ii) the audited consolidated financial statements of the Company of and for the year ended 31 December 2023 on pages 58-61, together with the notes to the financial statements on pages

62-107 and the auditor's report on pages 109-118 (available at https://hepsor.ee/wp-content/uploads/2024/04/Hepsor_2023_ENG.pdf);

(iii) the audited consolidated financial statements of the Company of and for the year ended 31 December 2024 on pages 58-61, together with the notes to the financial statements on pages 62-109 and the auditor's report on pages 111-118 (available at https://hepsor.ee/wp-content/uploads/2025/04/Hepsor_2024_ENG.pdf);

((ii) and (iii) together referred to as the **Audited Financial Statements**);

(iv) the unaudited consolidated interim financial statements of the Company for 9 months of 2025 ended on 30 September 2025 on pages 27-30, together with the notes to the financial statements on pages 31-47 (available at https://hepsor.ee/wp-content/uploads/2025/10/Hepsor-Q3_2025_ENG.pdf)

(the **Unaudited Interim Financial Statements**, together with the Audited Financial Statements, the **Financial Statements**);

(v) any future audited consolidated annual financial statements (including the auditors' report thereon and notes thereto) of the Company, and any future consolidated interim quarterly financial statements (including notes thereto) of the Company, once published by the Company on the Company's website (<https://hepsor.ee/en/for-investors/stock/reports-2/>) in accordance with the Prospectus Regulation during the validity of this Prospectus.

There has been no significant change in the financial position of the Group since the date of the Unaudited Interim Financial Statements, i.e. since 30 September 2025.

The Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union. The Unaudited Interim Financial Statements have been prepared in accordance with International Accounting Standards (**IAS**) 34, Interim Financial Reporting.

Pursuant to the Articles of Association of the Company, the general meeting of shareholders of the Company (**General Meeting**) is responsible for choosing auditors. Grant Thornton Baltic OÜ was selected as the Group auditor for the financial years 2022–2026 at the General Meeting of 9 August 2021. Grant Thornton Baltic OÜ (address: Pärnu mnt 22, 10141 Tallinn) is a member of the Estonian Auditors' Association with licence number 3. The Audited Financial Statements enclosed to this Prospectus have been audited by Grant Thornton Baltic OÜ. No other information presented in this Prospectus has been audited.

1.5 Forward-Looking Statements

This Prospectus includes forward-looking statements (notably under Sections 3 "Risk Factors", 5 "Reasons for Offering and Use of Proceeds" and 9 "Principal Activities and Markets"). Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the beliefs of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Group, the macroeconomic environment and other similar factors.

In particular, such forward-looking statements may be identified by the use of words such as "strategy", "expect", "plan", "anticipate", "believe", "will", "continue", "estimate", "intend", "project", "goals", "targets" and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Group operates in a highly competitive business. This business is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political and social conditions, consumer response to new and existing products and technological developments and other factors. The Group's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Group (please refer to Section 3 "Risk Factors" for a discussion of the risks which are identifiable and deemed material at the date hereof).

1.6 Use of Prospectus

This Prospectus is prepared solely for the purposes of the Offering of the Bonds and admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. The Prospectus is not published in any jurisdiction other than Estonia, Latvia, and Lithuania and consequently the dissemination of this Prospectus in other countries may be restricted or prohibited by law. This Prospectus may not be used for any other purpose than for making the decision of participating in the Offering or investing into the Bonds. You may not copy, reproduce (other than for private and non-commercial use) or disseminate this Prospectus without express written permission from the Company.

1.7 Approval of Prospectus and Passporting

This Prospectus has been approved by the Estonian Financial Supervision and Resolution Authority (the **EFSA**) as competent authority under the Prospectus Regulation on 10 November 2025 under registration number 4.3-4.9/5806. The EFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and should not be regarded as endorsement of the Company or the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

The Company has requested that the EFSA notify the competent authority of Latvia (the Bank of Latvia) and the competent authority of Lithuania (the Bank of Lithuania) of approval of the Prospectus in accordance with Article 25 of the Prospectus Regulation, respectively.

1.8 Availability of Documents

This Prospectus will be available as of 11 November 2025 in an electronic format on the website of the EFSA (<https://www.fi.ee>). The Prospectus together with its Estonian translation and its summaries in Estonian, Latvian, and Lithuanian will also be available in an electronic form on the website of Nasdaq Tallinn Stock Exchange (<https://www.nasdaqbaltic.com/>) and the Company (<https://hepsor.ee/en/for-investors/bonds/>).

In addition, the following documents can be accessed through the Company's website (<https://hepsor.ee/en/for-investors/>) during the validity period of the Prospectus:

- Articles of Association of the Company;
- Financial Statements of the Company;
- Terms and Conditions of the Bonds.

The information on the website of the Company has not been reviewed nor approved by the EFSA. Any interested party may request delivery of an electronic copy of the Prospectus, the Terms and Conditions of the Bonds and the financial reports of the Company from the Company without charge.

2. GENERAL DESCRIPTION OF THE PROGRAMME

2.1 Type and Class of Bonds

The Bonds are unsecured bonds issued in such denominations (nominal value) as specified in the Final Terms. The Bonds represent an unsecured debt obligation of the Company before the bondholder.

2.2 Size of the Programme

The size of the Programme is up to 20,000,000 euros. The Bonds will be issued in series whereas the amount of Bonds issued, their final terms and the timing of the issue will be decided by the Company at its discretion and published separately through the information system of Nasdaq Tallinn Stock Exchange and the website of the Company (<https://hepsor.ee/en/for-investors/>). The Programme has been approved by a decision of the Supervisory Board of the Company of 29 October 2025. The Final Terms of the Bonds issued under the Programme will be decided by the Management Board of the Company separately for each series.

2.3 Form and Registration

The Bonds are in dematerialised book-entry form and are not numbered. The Bonds will be registered in the Estonian Register of Securities (**ERS**), which is operated by Nasdaq CSD SE Estonian branch, address Maakri 19/1, 10145 Tallinn (**Nasdaq CSD**). The ISIN code of each series of the Bonds will be added to the Final Terms of each series.

2.4 Ranking

The Bonds represent an unsecured debt obligation of the Company before the bondholder. The liabilities arising from the Bonds rank at least *pari passu* with all other unsubordinated and unsecured debt obligations of the Company.

2.5 Currency

The Bonds are denominated in euros.

2.6 Interest

The Bonds carry an annual coupon interest at the fixed rate provided in the Final Terms, calculated from the date of issue of the Bonds until the date of redemption. The frequency of the interest payments is provided in the Final Terms. The interest on the Bonds is calculated based on the 30-day calendar month and 360-day calendar year (30/360).

2.7 Maturity of Bonds

According to the Terms and Conditions of the Bonds, the Maturity Date of the Bonds will be determined in the Final Terms of each series.

According to the Terms and Conditions of the Bonds, the Company may, at its sole discretion, redeem all or part of the outstanding Bonds not earlier than one year before the Maturity Date.

2.8 Rights Attached to Bonds

The rights attached to the Bonds are set in the Terms and Conditions of the Bonds, which are included in this Prospectus by reference. The main rights of bondholders arising from the Bonds are the right to the redemption of the Bonds and the right to receive payment of interest. In addition to these rights, upon a delay in making any payments due under the Terms and Conditions of the Bonds, the bondholders are entitled to a delay interest at the rate as specified in the Final Terms.

Under the Terms and Conditions of the Bonds, the bondholders have the right to participate, and cast votes, in the bondholders' meeting, or to provide their written consent, when convened or requested by the Company.

2.9 Transferability

The Bonds are freely transferable; however, 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 the applicable law. According to the Terms and Conditions of the Bonds, ensuring that any offering of the Bonds does require the publication of a prospectus in accordance with the applicable law is the obligation and liability of the bondholder.

2.10 Applicable Law

The Bonds will be issued in accordance with and are governed by the laws of the Republic of Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law, which cannot be derogated from by an agreement of the parties.

2.11 Admission to Trading

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

Should the Bonds not be admitted to trading on the Nasdaq Tallinn Stock Exchange, it is likely that a secondary market for the Bonds will not develop, there will not be a public and independent market price for the Bonds, and an investor may not be able to follow their investment thesis as envisaged, including in particular in respect of sale of the Bonds.

2.12 Terms and Conditions of the Bonds

The Terms and Conditions of the Bonds have been incorporated into this Prospectus by reference and are available on the website of the Company at <https://hepsor.ee/en/for-investors/bonds/>. These Terms and Conditions of the Bonds are applicable to each series of the Bonds as completed by the applicable Final Terms.

2.13 Form of Final Terms

FORM OF FINAL TERMS OF THE BONDS

Set out below is the form of Final Terms which will be completed for each Series of Bonds, as the case may be, issued under the Programme.

[Date]

Hepsor AS

(registry code 12099216)

**Issue of EUR [Aggregate Nominal Amount of the Series] unsecured bonds
under the EUR 20,000,000 unsecured bond programme**

PART A - CONTRACTUAL TERMS

All capitalised terms shall have the meaning given to them in the Terms and Conditions of the Bonds. These terms are the Final Terms of the Bonds referred herein. The Final Terms have been prepared for compliance with Regulation (EU) 2017/1229 of the European Parliament and of the Council and should be read together with the base prospectus and its supplements to receive all relevant information. The base prospectus and any supplements have been published on the website of the Issuer (<https://hepsor.ee/en/for-investors/bonds/>). A summary of the issue of the Bonds referred to herein has been appended to these Final Terms. The Final Terms have been approved by the resolution of the Issuer's management board dated [add date].

- | | | |
|-----|---|---|
| 1. | Issuer | Hepsor AS |
| 2. | Series number | [] |
| 3. | Aggregate Nominal Amount of the Series | EUR [amount]. [The Aggregate Nominal Amount of the series may be increased by the Company up to EUR [amount] until the Issue Date]. |
| 4. | Issue currency | EUR |
| 5. | Nominal Amount | EUR [●] |
| 6. | Issue Price | [●]% of the original Nominal Amount |
| 7. | Issue Date and Interest Commencement Date | [date] |
| 8. | Maturity date | [date] |
| 9. | Redemption | redemption at par |
| 10. | Interest | |
| | i. Calculation basis | Fixed rate |
| | ii. Interest Payment Dates | [add] |
| | iii. Interest rate | [number]% per annum |
| | iv. Interest calculation method | 30/360 |
| | v. Rate of delay interest | [number]% per day |

Signed on behalf of Hepsor AS

Member of the Management Board

PART B - OTHER INFORMATION

1. OFFERING

The Offering Period	[<i>dates</i>]
Offering jurisdictions	[Estonia / Latvia / Lithuania]
Description of the subscription process	[See Section "Subscription Undertakings" of the Prospectus/ <i>Details if specific rules are applied to determining the allocation</i>]
Publishing the results of the Offering	[<i>date</i>]
Description of distribution and allocation:	[See Section "Distribution and Allocation" of the Prospectus/ <i>Details if specific rules are applied to determining the allocation</i>]
Date of settlement	[<i>date</i>]

2. ADMISSION TO TRADING

Admission to Trading	[Application has been / will be made for the Bonds to be admitted to trading on the Bond List of the Nasdaq Tallinn Stock Exchange with the effect from the Issue Date/ <i>Details of another date</i>] / [No application for admission to trading has been made]
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3. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer	[See "Reasons for Offering and Use of Proceeds" in the Prospectus/ <i>Details of other reasons or use of proceeds</i>]
Estimated net proceeds	EUR []

4. YIELD

Indication of yield	[]% <i>per annum</i>
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is NOT an indication of future yield.

5. OTHER INFORMATION

ISIN code	[]
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3. RISK FACTORS

3.1 Introduction

Investing into the Bonds issued by the Company entails various risks. Each prospective investor in the Bonds should thoroughly consider all the information in this Prospectus, including the risk factors described below. Any of the risk factors described below, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Group and result in a corresponding decline in the value of the Bonds. As a result, investors could lose a part or all of the value of their investments. The Management believes that the factors described below present the principal risks inherent in investing into the Bonds. The risk factors are listed in certain categories whereas the most material risk factors, based on the significance or probability, are mentioned first and the remainder of the risk factors are not presented in any order of priority or probability of occurrence.

This Prospectus is not, and does not purport to be, investment advice or an investment recommendation to acquire the Bonds. Each prospective investor in the Bonds must determine, based on its own independent review and analysis and such professional advice as it deems necessary and appropriate, whether an investment into the Bonds is consistent with its financial needs and investment objectives and whether such investment is consistent with any rules, requirements and restrictions as may be applicable to that investor, such as investment policies and guidelines, laws and regulations of the relevant authorities, etc.

3.2 Risks Related to the Company's and Subsidiaries' Business Activities and the Group's Industry

The real estate development operations as currently carried out by the Group are subject to potential conflicts of interest.

The Group has engaged and expects to continue to engage in transactions with its related companies, construction companies Mitt & Perlebach OÜ in Estonia and Mitt&Perlebach SIA in Latvia (collectively as **Mitt & Perlebach**), which are under the control of existing shareholders and Supervisory Board members of the Company. The controlling shareholders of Mitt & Perlebach, Andres Pärloja and Kristjan Mitt, are also shareholders and Supervisory Board members of the Company. The Group has previously relied and will expect to continue to rely on Mitt & Perlebach as its sole or main general contractor in respect of construction works of the real estate development projects of the Group in Estonia and Latvia. Although there is no firm commitment assumed by the Group companies to use the services of Mitt & Perlebach on an exclusive basis, nor is expected to be in the future, Mitt & Perlebach is acting as the general contractor of the Group companies in respect of all the real estate development projects in Estonia and Latvia described in detail under Section 9 "Principal Activities and Markets" of this Prospectus.

Such relationship between the Group companies and Mitt & Perlebach may cause conflicts of interests. In the opinion of the Management, every reasonable effort is taken to mitigate such risks related to potential conflict of interests. The Company and Mitt & Perlebach have entered into Framework Agreements whereby the parties have agreed the principles of remuneration of Mitt & Perlebach for its services provided to the Group. According to the Framework Agreement, the Company may request either a lump-sum or an open-end offer from Mitt & Perlebach, whereas the offers are always based on (i) direct costs (offers and prognoses of sub-contractors) and (ii) a fixed margin of Mitt & Perlebach on top of direct costs, the size of which is dependent on which pricing mechanism is chosen by the Company. In case of a lump-sum offer, all commercial risk as to the ultimate cost of construction is born by Mitt & Perlebach; in case of an open-end offer, both risks and gains are shared between the parties. Regardless of the specific contract type (lump-sum or open-ended) Mitt & Perlebach carries out sub-contracting tenders, negotiates them and compiles a price-and-quantity bill ("**PQB**") for the Group's

review. A submitted PQB includes all sub-contracting prices (direct costs) and a project management fee by Mitt & Perlebach (on top of direct costs). All decisions on the type of offer requested by the Company and whether to engage Mitt & Perlebach as the general contractor in the first place are within the sole competence of the Supervisory Board (where Kristjan Mitt and Andres Pärloja as members of the Supervisory Board do not participate in the vote). Despite acknowledging the potential risk of conflicts of interests, the Management evaluates the strategic co-operation with Mitt & Perlebach to be one of the competitive advantages of the Group – there is no firm commitment to use the services of Mitt & Perlebach by the Group companies; however, they are the preferred co-operation partner for Mitt & Perlebach, which means the Group companies bear no market risk in that respect. Further, the contractual risks (above all, quality related contractual risks) are very low as the co-operation has been extensively tested in the past.

The potential conflicts of interests may result in adverse effect on the results of operations of the Group companies.

The Group's operations and the financial results thereof are dependent on contractors and co-operation partners and their ability to perform in accordance with agreed terms.

The Group companies are engaged in real estate development and are not engaged in actual construction operations. Relying on external service providers, mainly construction companies, for the development and construction operations but also for planning and maintaining development projects is an inherent part of the business of real estate development. Inability to enter into a contract with an external service provider, e.g. difficulties in finding a good quality construction company and any other risks relating to involving third parties and their potential inability to perform their duties or meet their obligations may cause delays in compliance with or breaches of contractual obligations of the Group companies before their clients and co-operation partners. This in turn may have adverse effect on the profitability of real estate projects of the Group companies and overall results of operations of the Group.

In order to reduce the potential for manifestation of this particular risk, the Group works with one construction company on all their current real estate development projects described in detail in Section 9 “Principal Activities and Markets” of this Prospectus with whom they have vast experience in collaborating and who has proven to be a reliable co-operation partner of the Group - Mitt & Perlebach (please see above also the description of risks related to potential conflicts of interest). Close co-operation with Mitt & Perlebach contributes into the efficiency of project management of all current real estate development projects, instead of having to work with several contractors simultaneously. This in turn has positive impact on profitability of the real estate projects of the Group.

The failure of the Group's contractors and co-operation partners to perform in accordance with the agreed terms may have adverse effect on the results of operations of the Group.

The operations of the Group are dependent on the Group's ability to engage capital on terms favourable for the Group.

Real estate development projects require large investments, making operating in this field capital-intensive in nature. The Company needs to finance the acquisition of land plots, the development of the projects, performing construction work and all other steps necessary in the development project before being able to earn from the sale or lease of real estate projects. Therefore, there is a risk that the Group companies are unable to find sufficient funds to finance their real estate development projects on conditions which are favourable to the respective Group company, or at all. Several factors can affect the Company's ability to acquire necessary funds, such as the general economic and market conditions, factors relating to the providers of financial services, bank policies etc.

The Group uses special purpose vehicles (**SPV**) for all its development projects (please see Section 9.2 Group Structure and Group Companies” of the Prospectus for detailed overview of such SPVs). Therefore, all the real estate projects are financed on the level of respective SPV, which in turn means that bank financing opportunities are limited due to the limited assets owned by the respective SPV, which could be used as collateral (land plot and real estate development project being the only assets

of such SPV). Due to that the Group has historically engaged private investors whose investments are, as a general rule, balanced between equity and interest-bearing debt investments in order to align the interests of such private investors with the ones of the Group companies. Risks related to engaging private investors have been mitigated contractually – a separate shareholders' agreement or partnership agreement has been entered into in respect of a respective SPV, leaving the ultimate control over the SPVs to the Company.

Failure to engage capital in volumes and on terms necessary for financing the pipeline of the Group companies (as described in detail in Section 9.3 Business Segments" of this Prospectus) or any future real estate development projects may have an adverse effect on the volume of operations of the Group companies and in turn on the results of operations of the Group.

Risks related to joint ventures and co-owners in the Group's SPVs

The Group's real estate development projects may be subject to risks arising from joint venture arrangements and co-ownership structures, as the Group does not always hold a majority ownership interest in the relevant SPV. Where the Group develops projects through joint ventures with co-owners or landowners, its ability to exercise control may be limited by the terms of the joint venture agreements, shareholders agreements or by the decisions and actions of other parties involved. Conflicts of interest or disagreements between the Group and its joint venture partners or co-owners may result in delays, increased costs, or modifications to the project scope.

In addition, the insolvency, bankruptcy, or involvement in legal proceedings of a joint venture partner, co-owner, or landowner may adversely affect the continuation or completion of a project. Such circumstances could block or materially delay development, restrict financing opportunities, or increase the Group's exposure to legal and operational risks. Any of these events may have a material adverse effect on the Group's ability to complete projects as planned and on the profitability of its real estate development operations.

The Group's operations are subject to geographical markets related risks – the Group operates only in Estonia, Latvia and Canada, more specifically in Tallinn, Riga and Toronto.

One of the inevitable disadvantages of the business of real estate developers is the size of the market in the country in which the respective company operates. The Group's real estate development operations are limited to three geographical markets – Estonia, Latvia and Canada, more specifically Tallinn, Riga and Toronto. Therefore, the Group is subject to market concentration risk. Market disruption or significant decrease in demand in these geographical markets may have material adverse effect on the real estate development volumes of the Group, which in turn may result in the decrease of revenue from the operations of the Group.

The geographical market risk is partially mitigated by the Group being engaged in different business segments – on the basis of the Group's development pipeline as at the date of this Prospectus, 53% of the Group's operations relate to real estate development projects in the residential real estate business segment and 47% in the commercial real estate business segment.

The managerial duties of the Company are concentrated to the sole member of the Management Board.

The Company has only one member of the Management Board – Martti Krass. This means that all managerial duties and responsibility is concentrated to one person. This entails inevitable risks related to the concentration of business know-how of the Group to one person.

This risk is partially mitigated by close involvement of the members of the Supervisory Board who are also the key shareholders of the Company in everyday business operations of the Group.

The results of operations of the Group may be adversely affected by the Group companies' inability to find suitable land plots and real estate projects.

The Group has a significant pipeline of new projects for the future (please see Section 9.3 Business Segments” of this Prospectus for detailed overview of the pipeline). The Management and key employees are working constantly on discovering new potential projects and business opportunities; however, there can be no assurance that the Group companies are able to find suitable and sufficiently profitable real estate projects in the future. Inability to keep a steady pipeline of new real estate development projects may have a material adverse effect on the results of operations of the Group.

3.3 Political, Economic and Legal Risks

Real estate development business may be materially adversely affected by its cyclical nature.

The greatest economic risk affecting the results of operations of the Group is related to the cyclical nature of the real estate market. Since property development and construction businesses are greatly affected by changes in property markets, rental yields and the general economic conditions, these businesses are also cyclical in nature. Because of this the level of profitability of real estate development companies tends to fluctuate a lot along with changes in the economy. In case economic growth slows down in any or all the countries the Group operates in, the respective Group company could experience heavy impact on its revenues from the development of its projects e.g., because of the need to sell the developed property at a price which is lower than originally anticipated or the Group company being unable to service the loan taken on to carry out the construction work.

During its almost fifteen years of existence, the Company has not been in a situation described above and while it is impossible to ensure that such risks will never materialise, the Management believes that the Group has taken reasonable precautions to avoid it as much as possible. Every aspect of a development project before the beginning of the construction is financed by the Group (proportionally to the Group’s participation/shareholding in the project), while debt financing is used to finance approximately 80-100% of the construction costs. Because of that, any recession happening before the project has moved onto the construction stage does not cause the Company any difficulty in servicing a loan. Should a recession happen when the construction of the property has already begun, the Management believes there would be no reason for the work to stop as the debt financing for the construction has already been received from the bank and therefore all projects can nevertheless be concluded.

Even if the Group’s ability to conclude construction work of its real estate development projects is not heavily impacted by the fluctuations of the market, changes in real estate prices, which are affected by general macroeconomic conditions, interest rates, inflation expectations etc. nevertheless play a major role in the Group’s revenues as the only income for the Group is generated from the sale and lease of residential and business real estate. If the real estate prices have decreased substantially by the time the construction work has concluded, the Group may be forced to sell the developed real estate at a lower price than had been anticipated, which would have an adverse effect on the Group’s financial condition and results of operations. Any substantial increase in real estate prices e.g., due to economic fluctuations or an increase in demand for land may also have an adverse effect on the Group’s projects as it may cause difficulties in being able to purchase real estate suitable for development at prices which are favourable for the Group, or at all. Not being able to find suitable land for development can have a negative impact on the Group’s ability to operate and having to purchase land at a substantially higher price while not being able to transfer the costs over to the end consumer can have an adverse effect on the Group’s financial condition and results of operations.

Favourable changes in overall economic conditions may result in increase of competition, which in turn may increase the prices of construction materials, while also causing substantial decrease in the availability of these materials. Higher than anticipated construction costs may restrict the Group’s ability to conclude real estate development projects at expected profit margin, which can have an adverse effect on the Group’s result of operations and financial condition. The Management believes the cyclical nature of real estate development and the effects of economic fluctuations to be a high risk for the Company while the effects on the Company should the risk materialise to be medium as the Group has taken preventive measures in organising its operations to lessen this risk as much as possible.

The Group is exposed to civil liability related risks.

The Group develops residential and commercial real estate and earns revenue from the sale of apartments and commercial real estate, the latter of which is from time to time leased instead of selling. The Group companies, acting as the sellers of apartments, are exposed to civil liability, mainly for ensuring the quality of construction. As a general rule, the real estate sale agreements contain an agreement on construction guarantee granted by the respective Group company for the term of 24 months. Therefore, the Group companies assume civil liability for the quality of construction work; however, there is no assurance that a civil claim submitted against a Group company can be recovered from the respective construction company.

The civil liability risks are mitigated by the corporate structure of the Group – each real estate project is owned by a separate Group company, a special purpose vehicle (SPV), which concentrates the risks related to one particular real estate project into one Group company and therefore enables to avoid damage (if occurred) being covered on the account of other real estate development projects. In addition to the above, the Group companies mitigate the civil liability risks contractually by including customary limitations of liability into the agreements entered into by the Group companies.

For example, the apartment owners of Manufaktuuri 18 apartment building have submitted a court claim against Group affiliate Hepsor Phoenix OÜ (SPV established for the development of Manufaktuuri 18 real estate development project) for damages related to costs of repairs necessary to rectify the alleged deficiencies in the apartment and parking buildings. The claim (incl. late interest and other ancillary claims) amounts to ca EUR 0.5 million. As more than 5 years have passed since completion of the buildings, Hepsor Phoenix OÜ has put forward a limitation defence but notwithstanding that, neither party has excluded the possibility of a compromise. As at the date of this Prospectus, the court case is pending the court's interim judgment on expiry of claims.

Furthermore, Group company Hepsor P113 OÜ is involved in several court proceedings with Novel Clinic Assets OÜ (a former tenant in Pärnu mnt 113 commercial building with a leasable area of 4,000 m² developed and owned by Hepsor P113 OÜ) and related persons. Hepsor P113 OÜ terminated the lease agreement with Novel Clinic Assets OÜ due to significant and continuous violation of lease terms by the tenant, which was followed by a claim for damages amounting to approximately EUR 3 million against the tenant. The objective of the Company and the other shareholders of Hepsor P113 OÜ was to seek an extrajudicial solution. On 9 November 2023, the tenant filed a lawsuit with Harju County Court to restore the lease agreement, seek compensation for the termination of the lease agreement, and reclaim the assets left in the premises. Hepsor P113 OÜ has filed a counterclaim for damages in the court proceedings. In relation to termination of the lease agreement, related persons to the tenant – IIsanta UAB and Concept 5 Clinic UAB – have in parallel filed lawsuits against Hepsor P113 OÜ for compensation and recovery of assets left on the premises. While Harju County Court has dismissed the claim for compensation of Concept 5 Clinic UAB, all other court proceedings have been, as at the date of this Prospectus, suspended in connection with the bankruptcy proceedings of Novel Clinic Assets OÜ, where the court is expected to also resolve on the validity of termination of the lease agreement by Hepsor P113 OÜ.

While the Group has taken and will continue taking reasonable measures necessary to mitigate civil liability exposure related risks contractually and will try to settle all potential future disagreements by mutual agreement, no assurances can be made regarding any additional future legal disputes and the potential consequences of such disputes.

Real estate development is a highly competitive field of business.

The development of real estate is a highly competitive field of business, which holds a potentially high risk for the Group. This is exacerbated by the fact that the Group operates within and in proximity to Tallinn and Riga, which are both areas with the highest demand for both commercial and residential real estate in Estonia and Latvia, respectively, and in Toronto, which is considered to be an area with

one of the highest demands for residential real estate in Canada. The consequences of high competition have a potential to be severe for both, the results of operations and financial condition of the Group.

High level of competition in real estate development might cause an increase in the demand for real estate for development. This can cause a substantial increase in the prices of real estate, which in turn requires higher investment from the Group to be able to acquire land for its development projects. It could also cause the Group to be unable to acquire real estate for its projects or do so on favourable terms which could have adverse effects on the Group's ability to operate in a profitable manner within its field of business.

The competitive nature of real estate development also creates a risk that the demand for construction materials might increase substantially. This might also bring about delays in the completion of construction work of development projects should an increase in demand cause a lack of sufficient supply of construction materials. This could incur additional expenses for the Group and have an adverse effect on the profitability of the Group's operations.

The competition in real estate development may potentially also cause an oversupply of commercial and/or residential real estate. This could cause the value of real estate to decrease, forcing the Group to sell or rent the developed real estate at a lower price than originally intended, which would have an adverse effect on the Group's revenues from its development projects and thus also on its results of operations.

The high levels of competition in real estate development pose a risk which can materialise in several different ways for the Group and could have an adverse effect on its results of operations and financial condition. The Management believes that the Group takes proper cautionary measures to reduce the potential of these risks materialising but as it is largely dependent on third parties and circumstances beyond the Group's control, no assurances can be made about this, thus giving the Management reason to believe that the potential of this risk materialising is high while the potential of extensive negative consequences occurring to the Group's operations and financial condition is medium.

Real estate development business is exposed to regulatory and political risks.

To ensure the ability to commence with the development of the projects for the land, which the Group has acquired, it is often necessary to commission detail planning for the project and submit it to the municipality planning authorities. The process of planning approval is an administrative process, which is subject to statutory requirements and has several stages, which can make the process last up to several years. The result of the process could affect the intended use of land, the maximum number of buildings on the land and the height of the buildings as well as other details. The Group companies are also required to apply for a building permit before commencing on the construction work of the project, which could also cause delays for the Group company in being able to commence on the construction work. In addition to being time-consuming, the planning resolutions, as well as granting or denying building permits are subject to significant level of discretion being exercised by respective authorities. Such discretionary rights of authorities are often influenced by political trends and may therefore be unpredictable. For example, Group company H&R Residentsid OÜ has had to submit a complaint to Tallinn Administrative Court to seek that the City of Tallinn would process the detailed spatial plan (in relation to Kadaka tee 197) submitted by H&R Residentsid, which the municipality has otherwise refrained from doing until the nature conservation restrictions have been established.

As a result of this, the respective Group company may be forced to abandon the project as it cannot be ensured that the Group company will always acquire all necessary rights, permits and approvals to carry out the development, which could have adverse effect on the Group company's ability to operate productively and profitably. Inability to commence with the construction work or the decision to abandon the project due to the result of the planning approval procedure could cause the Group to bear loss due to potentially having to sell the undeveloped real estate at a lower price than that at which it was acquired. Having to abandon the project might also cause the Group a loss due to any other expenses which have already incurred in relation to the project. An unforeseen increase in expenses may also be

brought about by the changes or delays in the project which may be caused by the planning approval procedure or any other necessary pre-construction procedures which the Group is obliged to carry out. All of this might have adverse effects on the Group's financial condition and results of operations.

The Group has reduced these risks by financing all their projects up until the commencement of the construction on its own account as in that case delays in the process of acquiring necessary rights, permits and approvals will not hinder the Group company's ability to service a loan as debt financing is only taken on for financing the construction after it has been approved by the municipality. Based on the above, the Management believes that while the risk of materialisation of any of the risks related to the planning and the process of receiving all necessary rights, permits and approvals for construction work from the municipality is medium, the potential for serious negative consequences materialising from these risks to the Group's operations and financial condition is low.

Geopolitical risks from war in Ukraine

On 24 February 2022, Russia began a military invasion of Ukraine, in a major escalation of the conflict that had begun in 2014. It is the largest military conflict in Europe in more than 20 years. In connection with the invasion, western countries have imposed sanctions on Russia which are designed to hurt the Russian economy, but, undoubtedly, will also have a negative effect on European economy as well, especially in the Baltic and CEE countries which traditionally and historically have strong economic ties with Russia, and where the Group operates. Additionally, the limitations imposed by governments on Russian citizens have a strong effect on the individuals in question living in Europe. The Company is continuing to monitor the impact which the conflict has had and could continue to have on the Group's operations, the markets in which it operates and more broadly on the macroeconomic outlook as the conflict continues. As at the date of this Prospectus it is still difficult to predict how long the conflict will last and the degree to which the ongoing war in Ukraine and other geopolitical factors, including the possibility that the war will spill over to new territories. Specifically, risks related to the Russian war in Ukraine may, due to Estonia's geographic proximity to Russia, negatively affect the purchasing decisions of homeowners or real estate investors, which may have an adverse effect on the results of operations of the Group.

The business operations of the Group are dependent on the general availability of bank financing for purchasing real estate, consumer behaviour trends, unemployment rates and other circumstances beyond the control of the Group.

Approximately 93% of the overall consolidated revenue of the Group in 2024 was generated from the sale of residential real estate to consumers (84% in 2023). Therefore, the Group is exposed to risks related to general availability of bank financing for financing purchase of residential real estate, consumer behaviour trends, unemployment rates and other circumstances influencing the consumer behaviour in the target markets of the Group – Estonia and Latvia, and in the future also Canada.

As at the date of this Prospectus, the general market situation in the residential real estate market may be characterised as favourable in Estonia and Latvia – demand for new residential real estate is supported by decreasing borrowing costs, increasing wage levels and a positive outlook on economic growth. Nevertheless, macroeconomic trends are subject to change, which in turn may have a significant effect on consumer behaviour and may potentially have adverse effect on the results of operations of the Group.

The Group is exposed to risks related to demographic changes.

The recent trends indicate that the number of residents of Tallinn and Riga is decreasing slowly, and while in the long term Toronto's population is expected to grow, over the next five years, Toronto is expected to see a decline driven primarily by the decline in non-permanent residents. By the date of this Prospectus, it has not had an adverse effect on the demand for residential real estate in these cities; however, if the trend continues it will inevitably result in a decrease in demand for residential real estate. This in turn may result in a decrease in real estate prices for which the apartments are sold by

the Group companies as well as prolong the sales periods. This in turn may have an adverse effect on the results of operations of the Group.

Real estate development business is subject to environmental regulations.

Real estate development is subject to environmental protection laws and regulations. Such laws and regulations are subject to change and given the importance of the topic, the requirements and restrictions are expected to get stricter. Any substantial changes in the regulations for environmental protection in the countries in which the Group operates may require larger investments from the Group to ensure that compliance with the regulations is established and maintained for the operations of the Group companies. Additional and potentially extensive costs might arise from the Group being liable for violations should the Group be unable to comply with any changes in regulations. This can also cause delays in the Group's ability to complete its development projects. All additional expenses for the Group arising from ensuring or failure to ensure compliance with environmental protection regulations can have an adverse effect on the Group's ability to continue with its operations as well as the Group's financial condition and results of operations.

As the European Union holds environmental protection in high regard, the Management believes that the risk for any changes in the regulations is medium but as the Group has thus far had no issues with remaining in accordance with such regulations in its operations, the potential for any negative effects of these changes materialising for the Group is low.

Furthermore, according to Estonian legislation, the business operator, either current or former, is responsible for the remediation of a contaminated property. The Group does not conduct any licensable activities in accordance with Estonian environmental laws. However, there could be, or in the past there may have been, tenants on the properties owned by the Group who conduct operations that require a respective permit in accordance with environmental laws, i.e., operators within the meaning of the Estonian General Part of the Environmental Code Act. Therefore, under certain circumstances, the Group as the owner of the property may be responsible for the remediation. This means that claims may be directed against the Group for cleaning-up or after-treatment due to the occurrence of, or suspicion of, contamination in the ground, water areas or groundwater, in order to ensure the property is in such condition as required by environmental laws. Moreover, previous business operators may have carried out after-treatment of a property in an acceptable manner as required for the usage of the property at the time. As a result of changed usage of a property for e.g., residential purposes, the requirements for the Group may be higher, which imply that the Group may have costs for after-treatment and cleaning-up in order to be able to use a property as intended.

Although the Group carries out due diligence before the acquisition of any new property or land plot, including investigates environmental issues or relies on respective confirmations from the seller thereon, there can be no assurances made that the Group will not be responsible for unseen remediation of a contaminated property, which may lead to increased costs of cleaning-up or after-treatment and delay the Group's intended development of properties. This in turn may have an adverse effect on the Group's results of operations and financial position.

3.4 Risks Related to Offering, Admission to Trading

Bond Price and Limited Liquidity of Bonds.

The Company will apply for the admission to trading of the Bonds on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange; however, although every effort will be made by the Company to ensure the admission to trading of the Bonds as anticipated by the Company, no assurance can be provided that the Bonds will be admitted to trading. Further, the Nasdaq Tallinn Stock Exchange is substantially less liquid and more volatile than established markets in other jurisdictions. The YTD turnover of bonds admitted to trading on the Baltic Bond List of Nasdaq Tallinn Stock Exchange is EUR 95.1 million with 13,435 trades in total (as of 6 November 2025). The relatively small market capitalisation, EUR 10.6 billion as of 6 November 2025, and low liquidity of the Nasdaq Tallinn Stock Exchange may impair the

ability of the bondholders to sell their Bonds on the open market, use them as a collateral for other obligations or engage in other transactions requiring the existence of an active market, or could increase the volatility of the price of the Bonds. As the Bonds of each series will bear a different ISIN code, the respective Bonds will also be traded separately which will affect their liquidity on the market. The value of the Bonds can fluctuate on the securities market due to events and the materialisation of risks related to the Group, but also because of events outside the Group's control, such as economic, financial or political events, changes of interest rate levels or currency exchange rates, policy of central banks, changes in the demand or supply of securities of the same type in general or of the Bonds. For instance, if at any point a person holding a large block of Bonds decided to sell such Bonds, the demand on the Nasdaq Tallinn Stock Exchange may not be sufficient to accommodate such a sale or issue and any sale may take longer than originally expected or a sale may take place at a lower price than expected.

Risks related to changes in interest rates

The Bonds are exposed to interest rate risk. In general, an increase in prevailing interest rates, in particular the base rates set by the European Central Bank (ECB), is likely to have an adverse effect on the market price of fixed income securities such as the Bonds. When market interest rates rise, the yield on newly issued debt instruments may become more attractive compared to the fixed coupon payments of the Bonds, which may lead to a decline in the market value of the Bonds. Conversely, a decrease in interest rates may have a positive effect on the market price of the Bonds. Bondholders should note that while changes in interest rates affect the market value of the Bonds, they do not affect the nominal value of the Bonds or the interest payments payable under the Terms and Conditions of the Bonds. Accordingly, investors who hold the Bonds to maturity will receive repayment of the nominal amount, together with interest as set out in the Terms and Conditions, irrespective of interim fluctuations in market price.

The price of the Bonds may be subject to volatility.

The value of an investment in the Bonds may decrease or increase abruptly. For example, such volatility may be caused by general market conditions and regulatory, economic or political changes. In particular, the Nasdaq Tallinn Stock Exchange has, similarly to other stock markets, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities, and may, in the future, experience similar fluctuations which may be unrelated to the Group's operating performance and prospects but nevertheless affect the price of the Bonds. The market price of the Bonds may also be significantly affected by a variety of factors that relate specifically to the Group. These factors include the market's appraisal of the Group's strategy and a difference between the Group's results of operations and/or prospects and market analysts and bondholders' expectations thereof. Moreover, the price of the Bonds may be impacted by speculation, whether or not well-founded, as to the Group's business, performance, management and strategic plans and actions by the market participants in the Group's business sector. As a consequence of such volatility, investors should be aware that the value of an investment in the Bonds may fluctuate.

Enforceability of judgments against the Company.

The Company is organised in accordance with Estonian law and has its registered office in Estonia. A significant proportion of the assets of the Group are located in Estonia and the majority of the management personnel working for the Group reside in Estonia. For this reason, investors located or residing outside of Estonia may encounter more difficulty in serving summons and other documents relating to court proceedings on any of the entities within the Group and/or the management personnel working for the Group and in enforcing a judgment of the Estonian court issued against any entities within the Group or the management personnel working for the Group than if those entities or the management personnel were located in the jurisdiction where the investor concerned is located or residing.

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. The Bonds represent an unsecured debt obligation of the Company, granting the bondholders only such rights as set forth in the Terms and Conditions of the Bonds. The value of the Bonds might be affected by the actions of the shareholders of the Company over which the investors do not have control.

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 any Offering is successful, the Company cannot provide any assurance that any Offering will be successful and that the investors will receive the Bonds they subscribed for. The Company is entitled to cancel an Offering on the terms and conditions described in Section 4.10 Cancellation of Offering”.

4. TERMS AND CONDITIONS OF OFFERING

4.1 Offering

As part of the Programme Bonds in the total amount of up to EUR 20,000,000 may be publicly offered to retail and institutional investors in any or all of Estonia, Latvia and Lithuania (the **Offering**). The Company may also choose to offer the Bonds non-publicly to investors in any Member State of the EEA under circumstances described in Article 1(4) of the Prospectus Regulation.

The Bonds may be offered in different series through several Offerings.

4.2 Right to Participate in the Offering

The Offering will be directed to all retail and institutional investors in any or all of Estonia, Latvia and Lithuania, as determined in the Final Terms of the respective series of the Bonds.

For the purposes of the Offering, a person is considered to be in Estonia, Latvia or Lithuania and has a right to participate in the Offering if such person has an operational securities account with Nasdaq CSD or a securities account with a financial institution who is a member of the Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange, and such person submits a Subscription Undertaking (as defined below) in relation to the Bonds via that securities account.

4.3 Nominal Amount and Offer Price

The nominal value of each Bond will be determined in the Final Terms.

The Offer Price for each series of the Bonds will be determined in the Final Terms.

4.4 Offering Period

The Offering Period is the period during which the persons who have the right to participate in the Offering may submit Subscription Undertakings (please refer to Section 4.5 Subscription Undertakings” for further details) for the Bonds.

The Offering Period for each series of the Bonds will be specified in the Final Terms of the respective series of the Bonds, and also separately published through the information system of Nasdaq Tallinn Stock Exchange and the website of the Company (<https://hepsor.ee/en/for-investors/>).

4.5 Subscription Undertakings

Submitting Subscription Undertakings

The undertakings for subscription of the Bonds (**Subscription Undertakings**) may be submitted only during the Offering Period. An investor participating in the Offering may apply to subscribe for the Bonds only for the Offer Price. All investors participating in the Offering can submit Subscription Undertakings denominated only in euro. An investor shall bear all costs and fees charged by the respective account operator or financial institution 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 a Nasdaq CSD account operator or a financial institution who is a member of the Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange which is also a participant of the Latvian or Lithuanian central securities depository, i.e., Nasdaq CSD SE (registered in Latvia, registry code 400003242879) or Nasdaq CSD SE Lithuanian branch (registered in Lithuania, registry code 304602060), respectively.

The list of banks and investment firms operating as Nasdaq CSD participants is available on the website of Nasdaq CSD at <https://nasdaqcsd.com/list-of-participants/>. The list of financial institutions which are members of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange is available on the website of Nasdaq Baltic Stock Exchange at <https://nasdaqbaltic.com/statistics/en/members> (in order to review the list of members of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange, selection “Riga market” or “Vilnius market” should be made respectively).

Submission of Subscription Undertakings by Estonian Investors

If and to the extent that the Offering takes place in Estonia, an investor wishing to subscribe for the Bonds should contact an account operator that operates such investor's ERS securities account and submit a Subscription Undertaking in the form accepted by the account operator and in conformity with the terms and conditions of the Prospectus. 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 office 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:	[as specified in the Final Terms]
ISIN code:	[as specified in the Final Terms]
Amount of securities:	the number of Bonds for which the investor wishes to subscribe
Price (per Bond):	the Offer Price in euros as specified in the Final Terms
Transaction amount:	the number of Bonds for which the investor wishes to subscribe multiplied by the Offer Price
Counterparty	Hepsor AS
Securities account of the counterparty	99102109519
Account operator of the counterparty	AS LHV Pank
Value date of the transaction:	[as specified in the Final Terms]
Type of transaction:	"subscription"
Type of settlement:	"delivery versus payment"

An investor may submit a Subscription Undertaking through a nominee account only if such investor authorises the owner of the nominee account to disclose the investor's identity to the registrar of the ERS in writing. The Subscription Undertakings submitted through nominee accounts will be taken into consideration in the allocation only if the owner of the nominee account has actually disclosed the identity of the investor to the registrar of the ERS in writing. Among other information it is also requested to disclose a permanent address and personal identification code in case of a natural person or a registration address for a legal entity, the amount of securities subscribed to, and the net value of the transaction. An investor may submit a Subscription Undertaking either personally or through a representative whom the investor has authorised (in the form required by law) to submit the Subscription Undertaking.

Submission of Subscription Undertakings by Latvian and Lithuanian Investors

If and to the extent that the Offering takes place in Latvia or Lithuania, an investor wishing to subscribe for the Bonds must contact the financial institution, who is a member of Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange that operates such investor's securities account. The investor can submit a Subscription Undertaking for the purchase or subscription of the Bonds in the form accepted by the respective financial institution and in conformity with the terms and conditions of the Prospectus.

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, via the Internet Bank or by other means).

Terms and Conditions for Submission of Subscription Undertakings

A Subscription Undertaking is deemed submitted from the moment Nasdaq CSD in case of Estonia and Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange in case of Latvia and Lithuania, respectively, receives a duly completed transaction instruction from the account operator of the respective Estonian investor or the financial institution managing the securities account of the respective Latvian or Lithuanian investor.

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.

By submitting a Subscription Undertaking every investor:

- (i) confirms that they have read the Prospectus and its Summary, including (but not limited to) risk factors set out in this Prospectus and a description of rights and obligations resulting from the ownership of the Bonds;
- (ii) accepts the terms and conditions of the Offering set out under this Section and elsewhere in this Prospectus and agrees with the Company that such terms will be applicable to the investor's acquisition of any Bonds;
- (iii) acknowledges that the Offering does not constitute an offer (in Estonian: *ofert*) of the Bonds by the Company within the meaning of Section 16(1) of the Estonian Law of Obligations Act or otherwise and that the submission of a Subscription Undertaking does not itself entitle the investor to acquire the Bonds nor result in a contract for the sale of Bonds between the Company and the investor;
- (iv) accepts that the number of the Bonds indicated by the investor in the Subscription Undertaking will be regarded as the maximum number of the Bonds, which the investor wishes to acquire (the **Maximum Amount**) and that the investor may receive less (but not more) Bonds than the Maximum Amount (please refer to Section 4.7 "Distribution and Allocation" for further details);
- (v) undertakes to acquire and pay for any number of Bonds allocated to it in accordance with these terms and conditions, up to the Maximum Amount;
- (vi) authorises and instructs the account operator or financial institution through which the Subscription Undertaking is submitted to arrange the settlement of the transaction on their behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the transaction;
- (vii) authorises the Company and Nasdaq CSD together with any service provider(s) engaged by the Company to process its personal data and information contained in the Subscription Undertaking before, during and after the Offering Period to the extent necessary to participate in the Offering, to accept or reject the Subscription Undertaking and to fulfil the Terms and Conditions of the Bonds and the Company's obligations under the Terms and Conditions of the Bonds;
- (viii) authorises the account operator or financial institution through which the Subscription Undertaking is submitted and Nasdaq CSD to amend the information contained in the Subscription Undertaking, including (a) to specify the value date of the transaction, (b) to specify the number of the Bonds to be purchased by the investor and the total amount of the

transaction found by multiplying the Offer Price by the number of Bonds allocated to the relevant investor, and (c) correct or clarify obvious mistakes or irregularities in the Subscription Undertaking, if any;

- (ix) confirms, that he/she/it is not subject to the laws of any other jurisdiction which would prohibit the placing of the Subscription Undertaking or allocation of the Bonds to him/her/it and represents that he/she/it is authorised to place a Subscription Undertaking in accordance with the Prospectus.

An investor may amend or cancel a Subscription Undertaking at any time before the expiry of the Offering Period. To do so, the investor must contact the account operator or financial institution through which the Subscription Undertaking in question has been made and carry out the procedures required by the account operator or financial institution for amending or cancelling a Subscription Undertaking (such procedures may differ between different account operators and financial institutions).

4.6 Payment

By submitting a Subscription Undertaking, an investor authorises and instructs the institution operating the investor's cash account connected to its 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 Maximum Amount. An investor may submit a Subscription Undertaking only when there are sufficient funds on the cash account connected to its Nasdaq CSD securities account or its securities account opened with a financial institution which is a member of the Nasdaq Riga Stock Exchange or Nasdaq Vilnius Stock Exchange to cover the whole transaction amount for that particular Subscription Undertaking.

4.7 Distribution and Allocation

The Company will decide on the allocation of the Bonds after the expiry of the Offering Period of the respective series of Bonds. 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 at creating a solid and reliable investor base for the Company;
- (v) the Company shall be entitled to prefer its existing shareholders to other investors;
- (vi) the employees of the Group (including, if acting through legal entities, those under their control) may be preferred to other investors.

The list of existing shareholders of the Company shall be fixed as at the end of the business day immediately preceding the day of announcement of the Offering of the relevant series of Bonds.

The Company will announce the results of the allocation process through the information system of the Nasdaq Tallinn Stock Exchange and at the Company's website (<https://hepsor.ee/en/for-investors/>). The Company plans to announce the results of allocation of each series of the Bonds within three business days after the end of the Offering Period, but in any case, before the Bonds are transferred to the investors' securities accounts. Therefore, dealing with the Bonds on Nasdaq Tallinn Stock Exchange shall not begin before the results of the allocation have been announced.

4.8 Settlement

The settlement of the Offering will be carried out by Nasdaq CSD. The Bonds allocated to investors will be transferred to their securities accounts on or about the settlement date provided in the Final Terms of the Bonds through the “delivery versus payment” method simultaneously with the transfer of payment for such Bonds. The title to the Bonds will pass to the relevant investors when the Bonds are transferred to their securities accounts.

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 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 Baltic Bond List of the Nasdaq Tallinn Stock Exchange on or about the date noted as such in the Final Terms of the Bonds.

4.9 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 deviates from the amount of Bonds applied for, the funds blocked on the investor’s cash account, or a part thereof (the amount in excess of payment for the allocated Bonds), is expected to be released by the respective financial institutions. The Company shall not be liable for the release of the respective amount and for the payment of interest on the released amount for the time it was blocked (if any).

4.10 Cancellation of Offering

The Company has reserved the right to postpone or cancel the Offering in full or in part at any time before the publication of the allocation of the Bonds. Among others, the Company may cancel the Offering in case of insufficient demand, i.e. in case the total volume of the Offering is not subscribed for. Any cancellation or postponement of the Offering will be announced through the information system of Nasdaq Tallinn Stock Exchange and at the Company’s website (<https://hepsor.ee/en/for-investors/>). 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.

4.11 Conflicts of Interest

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.

5. REASONS FOR OFFERING AND USE OF PROCEEDS

The main reason for the Programme and any Offering thereunder is to diversify the Group's financing structure and ensure capital for the Group's real estate development projects. Real estate development cycles are long, which often triggers the need for financing at different stages. The purpose of the Programme is to ensure flexible access to capital for the Company when market conditions are most supportive. Capital raised from the issue of Bonds will be directed towards the implementation of ongoing and new residential and commercial development projects.

To date, the Group has financed the real estate development projects of the Group companies by own funds, by additional capital engaged from the shareholders of the Company and selected investors (at the SPV level), or using bank financing. By issuing Bonds under the Programme, the Company is looking to reduce the level of capital engaged from external investors at the SPV level for its residential development projects and refinance the Company's existing bank financing.

The specific use of proceeds from the issue of Bonds shall be specified for each Series in the applicable Final Terms.

The Company is looking to engage additional capital in the amount of up to EUR 20 million under the Programme. The total amount of costs related to the Programme is estimated to be up to 2% of the Programme size, i.e. up to EUR 500,000 which will be deducted from the proceeds of the Offerings before using the proceeds as described in this Section. The net proceeds of the Programme would therefore be estimated to amount to EUR 19.5 million.

6. GENERAL CORPORATE INFORMATION AND ARTICLES OF ASSOCIATION

6.1 General Corporate Information

The business name of the Company is Hepsor AS. The Company was established under the laws of the Republic of Estonia for an indefinite term in the form of a private limited company (in Estonian: *osaühing* or *OÜ*) and was registered in the Estonian Commercial Register on 29 April 2011 under the register code 12099216. As of 14 October 2021, the Company is operating in the form of a public limited company (in Estonian: *aktsiaselts* or *AS*).

The contact details of the Company are the following:

Address: Järvevana tee 7b, 10112 Tallinn, Estonia

Phone: +372 660 9009

E-mail: info@hepsor.ee

Website: <https://www.hepsor.ee>¹

The legal entity number (LEI) of the Company is 254900NNCQC3L9WR9P45. According to the latest available annual report of the Company, i.e. the annual report for the financial year ended on 31 December 2024, the primary field of activity of the Company was “construction of residential and non-residential buildings” (EMTAK² 41001).

¹ The information on the Company’s website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

² EMTAK (the Estonian Classification of Economic Activities) is the basis for determining the fields of activity of Estonian companies. EMTAK is the national version of the international harmonised NACE classification. As of 1 January 2007, the Estonian companies are, instead of providing their fields of activity in the Articles of Association, required to report them in their annual reports using EMTAK classification.

7. SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE

7.1 Share Capital and Shares

The current registered and fully paid-in share capital of the Company is EUR 3,912,522 which is divided into 3,912,522 ordinary shares of the Company (the **Shares**) with the nominal value of EUR 1.00. The Shares are registered in the ERS under ISIN code EE3100082306 and kept in book-entry form. ERS is maintained by the Estonian branch of Nasdaq CSD SE (registry code 14306553, address Maakri 19/1, Tallinn, Harju County, 10145) (**Nasdaq CSD**). The Shares have been admitted to trading on the Baltic Main List of the Nasdaq Tallinn Stock Exchange.

The Shares are governed by the laws of the Republic of Estonia. The Shares are freely transferrable.

During the period covered by the Financial Statements, the Company's share capital has been increased by EUR 57 821 (date of registration 17 July 2025) to EUR 3,912,522, in connection with acquiring the minority shareholding of 20% of Hepsor Latvia OÜ from Hugomon OÜ.

7.2 Shareholders of the Company

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

Name of Shareholder	Number of Shares	Proportion	Person directly or indirectly controlling the Shareholder
Mr Andres Pärloja	507,000	13.0%	N/A
Mr Kristjan Mitt	507,000	13.0%	N/A
Mr Henri Laks	498,000	12.7%	N/A
Mr Lauri Meidla	385,700	9.9%	N/A
KAMP Investments OÜ	981,000	25.1%	Mr Andres Pärloja Mr Kristjan Mitt

The Management is as at the date of this Prospectus not aware of any person with direct or indirect control over the Company or any arrangements or circumstances, which may at a subsequent date result in a change in control over the Company.

8. MANAGEMENT

8.1 Management Structure

In accordance with the Estonian law, the operational management of the Company is structured as a two-tier system. The Management Board is responsible for the day-to-day management of the Company's operations and is authorised to represent the Company based on the law and the Articles of Association. The Supervisory Board of the Company is responsible for the strategic planning of the business 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.

The address of operations of the Management Board and the Supervisory Board is the registered address of the Company - Järvevana tee 7b, 10112 Tallinn, Estonia.

8.2 Management Board

Role. The Management Board of the Company is responsible for the day-to-day management of the Company's operations, the representation of the Company and for organising its accounting. Further, according to the Estonian Commercial Code, it is the obligation of the Management Board to draft the annual reports and submit the reports to the Supervisory Board for review and to the General Meeting of shareholders for approval. The Management Board is accountable to the Supervisory Board and must adhere to its lawful instructions.

Duties. The Management Board must present an overview of the economic activities and economic situation of the Company to the Supervisory Board at least once every three months and is under the obligation to give immediate notice of any material deterioration of the economic condition of the Company or of any other material circumstances related to its operations. If the Company is insolvent and the insolvency, due to the Company's financial situation, is not temporary, the Management Board must immediately submit a voluntary bankruptcy petition in respect of the Company.

The Management Board may enter into transactions that lie outside the Company's ordinary scope of business only with the consent of the Supervisory Board.

Members of Management Board. According to the Articles of Association, the Management Board comprises of one to three members who are appointed by the Supervisory Board for a term of 5 years. As at the date of this Prospectus the Company has one member of the Management Board – Mr Martti Krass. The authorities of Mr Martti Krass as the member of the Management Board commenced on 1 August 2025 and will remain valid until 1 August 2030.

Mr Martti Krass. Mr Krass was born in 1990. Mr Krass has obtained a diploma in civil engineering from the Tallinn University of Technology (TalTech) in 2014. Between 2011–2013, Mr Krass worked as a site engineer for Swedish multinational construction and development company Skanska AB and Astlanda Ehitus OÜ. Between 2014-2025, Mr Krass was a project manager and country manager for Hepsor in Latvia. He is also the management board member of Hepsor Finance OÜ, Hepsor Kanada OÜ, Hepsor Latvia OÜ, Hepsor M7 OÜ, and Hugomon OÜ.

8.3 Supervisory Board

Role. In accordance with the Estonian Commercial Code, the Supervisory Board of the Company is responsible for the strategic planning of the business activities of the Company and supervising the activities of the Management Board. The Supervisory Board is accountable to the shareholders of the Company (acting through the General Meeting).

Duties. In accordance with the Estonian Commercial Code, before the ordinary General Meeting of shareholders is held, the Supervisory Board must review the annual report and provide the General Meeting of shareholders with a written report on the annual report, indicating whether the Supervisory Board approves the report and also providing information on how the Supervisory Board has organised and supervised the activities of the Company during the year. The tasks and responsibilities of the Supervisory Board are further regulated in the Articles of Association of the Company.

Members of Supervisory Board. According to the Articles of Association of the Company, the Supervisory Board consists of three to five members who are appointed by the General Meeting of shareholders for a period of three years. The members of the Supervisory Board elect among themselves a Chairman of the Supervisory Board who is responsible for organising the activities of the Supervisory Board. A meeting of the Supervisory Board has quorum if more than one half of the members of the Supervisory Board participate and a resolution of the Supervisory Board is adopted if more than one half of the members of the Supervisory Board who participate at the meeting vote in favour. As at the date of this Prospectus there are three members in the Supervisory Board of the Company – Mr Henri Laks (Chairman of the Supervisory Board, since 1 August 2025), Mr Kristjan Mitt (since 14 October 2021, extended on 23 May 2024) and Mr Andres Pärloja (since 14 October 2021, extended on 23 May 2024). The authorities of Mr Henri Laks as member of the Supervisory Board will remain valid until 1 August 2028 and the authorities of Mr Kristjan Mitt and Mr Andres Pärloja as members of the Supervisory Board will remain valid until 23 May 2027.

Mr Henri Laks. Mr Laks is the Chairman of the Management Board of the Company. Mr Laks was born in 1981. Mr Laks has obtained a diploma in real estate management from the Tallinn University of Technology (TalTech) in 2004 and an MBA from Estonian Business School in 2010. During 2004–2009 Mr Laks held various real estate development related positions in AS ELL Kinnisvara (currently AS Kapital). Between 2009–2012, Mr Laks managed the construction of the new school building for the Baltic Film, Media and Arts School at the Tallinn University. He is also the management board member of Osaühing Topmost and Kvarta Holding OÜ.

Mr Andres Pärloja. Mr. Pärloja was born in 1977. In 2001 he obtained a degree in international business administration from Estonian Business School. He has also studied economics at Tallinn Technical University during years 1995-1997. During his professional career, Mr. Pärloja has worked as a project manager at AS SEB Eesti Ühispank (currently AS SEB Pank) between 1998 and 2000, as head of sales and later as member of the management board of Ühispanga Varahalduse AS (currently AS SEB Varahaldus) from 2000 until 2004 and from thereon until 2005, Mr. Pärloja served as member of the management board of AS Parex bank Estonia branch. Between 2005 to 2010 he served as CEO of first Koger&Partners OOD in Bulgaria and then Koger Kinnisvara OÜ and Koger&Partnerid AS in Estonia. Currently, he is also the management board member of Mitt & Perlebach OÜ, KAMP Investments OÜ, Talviku Kinnisvara OÜ, OÜ Harbet, Perlebach Invest OÜ, and the supervisory board member of foundation AIESEC Eesti Alumni Fond.

Mr Kristjan Mitt. Mr Mitt was born in 1981. Mr Mitt holds a degree in civil engineering from the Tallinn Technical University awarded to him in 2004. In 2008, he obtained a master's degree in business administration (*cum laude*) from the Tallinn Technical University. He worked as a project manager in Koger & Partnerid AS between 2004 and 2007 and as a manager in Koger & Partners SIA from 2008 to 2011. He is also the management board member of Mitt & Perlebach OÜ, Etna Invest OÜ, Tatari 3 OÜ, Ojakalda Kodud OÜ, Talviku Kinnisvara OÜ, KAMP Investments OÜ, Šmidt ja Partnerid OÜ, Tavolara OÜ and Estonian Association of Construction Entrepreneurs.

8.4 Conflicts of Interest and Other Declarations

According to the knowledge of the Management, except as provided below, there are no known actual or potential conflicts of interest between the duties of any of the members of the Management and the Supervisory Board to the Company or to any Group company, and their private interests or other duties.

Company declares that the Group has had a long-term co-operation with construction companies Mitt & Perlebach OÜ in Estonia and Mitt&Perlebach SIA in Latvia (collectively **Mitt & Perlebach**) and that the controlling shareholders and management board members of Mitt & Perlebach (Kristjan Mitt and Andres Pärloja) are members of the Supervisory Board of the Company.

Such relationship between the Group companies and Mitt & Perlebach may cause conflicts of interest. In the opinion of the Management, every reasonable effort is taken to mitigate such risks related to potential conflicts of interest. The Company and Mitt & Perlebach have entered into Framework

Agreements whereby the parties have agreed the principles of remuneration of Mitt & Perlebach OÜ and Mitt&Perlebach SIA for their services provided to the Group. According to the Framework Agreements, the Company may request either a lump-sum or an open-end offer from Mitt & Perlebach, whereas the offers are always based on (i) direct costs (offers and prognoses of sub-contractors) and (ii) a fixed margin of Mitt & Perlebach on top of direct costs, the size of which is dependent on which pricing mechanism is chosen by the Company. In case of a lump-sum offer, all commercial risk as to the ultimate cost of construction is born by Mitt & Perlebach; in case of an open-end offer, both risks and gains are shared between the parties. Regardless of the specific contract type (lump-sum or open-ended) Mitt & Perlebach carries out sub-contracting tenders, negotiates them and compiles a PQB for the Group's review. A submitted PQB includes all sub-contracting prices (direct costs) and a project management fee by Mitt & Perlebach (on top of direct costs). All decisions on the type of offer requested by the Company and whether to engage Mitt & Perlebach as the general contractor in the first place are within the sole competence of the Supervisory Board (where Kristjan Mitt and Andres Pärloja as members of the Supervisory Board do not participate in the vote).

According to the knowledge of the Management, none of the members of the Management and Supervisory Board, nor any of the members of other key executive personnel has ever been convicted in a criminal offence or been a member of a governing body of a legal entity subject to bankruptcy or liquidation proceedings at the time of initiating the relevant proceedings. Furthermore, none of the persons referred to in this Section have ever been disqualified by a competent court from acting as a member of administrative, supervisory or management body or conducting affairs of a legal entity.

9. PRINCIPAL ACTIVITIES AND MARKETS

9.1 History and Development of Group

The Group's history dates back to 2011 and by today, the Group has developed into a group of companies engaged in development of real estate in Estonia, Latvia and Canada. With the aim of providing a new level of quality in both processes and results, within almost fifteen years of operation, the Group has completed 53 projects with a total sellable area of 162,771 m², including both residential and commercial properties.

The Company was established in the form of a private limited company by 2 individuals, namely Mr Andres Pärloja and Mr Kristjan Mitt, who have both continued contributing to the management and further development of the Group to date. The Company was established back in 2011 with the intention to acquire a land plot in Nõmme, Tallinn and develop six apartments. From thereon, as the Group has expanded its business activities to other development projects, the Company has remained responsible for project management whereas each specific development (and the assets related thereto) is held in a special purpose vehicle (**SPV**), a respective subsidiary to the Company. In 2013, Mr Henri Laks joined the Company as a member of the Management Board and in 2014 become also a shareholder in the Company. Before that, since 2011, Mr Henri Laks was a member of the management board and a shareholder of several Group SPV-s. Mr Martti Krass joined the Company in 2014 as a project manager and later became the country manager for Hepsor in Latvia. As of 1 August 2025, Mr Martti Krass was appointed as the member of the Management Board of the Company and Mr Henri Laks was appointed as the member of the Supervisory Board. The Company was transformed from a private limited company into a public limited company in 2021 in connection with the public offering and admission to trading of the Company's shares on the Baltic Main List of Nasdaq Tallinn Stock Exchange.

The milestones in the history of the Company and the development of the Group are summarised in the following table:

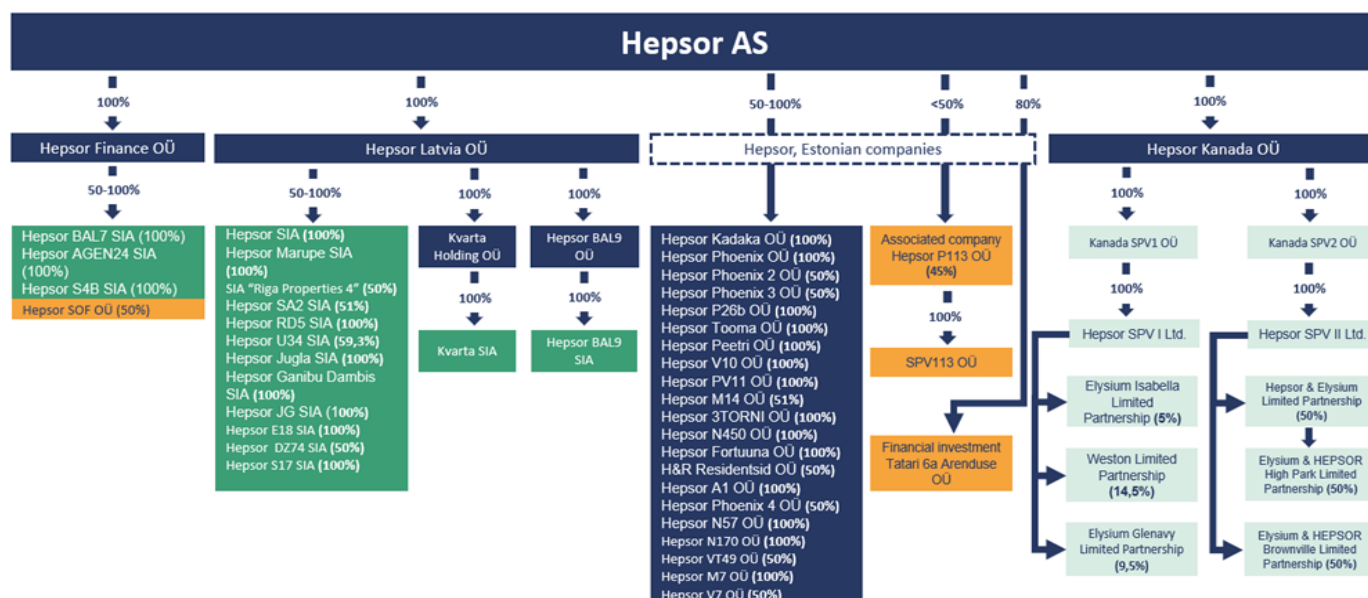
Year	Development
2011	The Company was established in the form of a private limited company
2011	The Group started developing green office buildings (office building at Sõpruse 157, Tallinn) as the first one in Estonia
2013	First residential development completed (apartment building at Sihi 32, Tallinn)
2014	First commercial development completed (office building at Sõpruse pst 157, Tallinn)
2017	The Group entered Latvian market and acquired a land plot at Balozu 7, Riga
2019	First residential building with 127 apartments developed and completed in Baltics for an institutional investor, LHV pension fund(s)
2020	First residential development completed in Latvia (apartment building at Balozu 7, Riga)
2021	Hepsor Latvia OÜ demerged from Hepsor Finance OÜ for the purposes of consolidating SPVs related to Latvian developments
2021	The Company was transformed into a public limited company and the shares of the Company were admitted to trading on the Baltic Main List of Nasdaq Tallinn Stock Exchange
2022	First stock-office type commercial development project started in Latvia (office building at Ulbrokas 30, Riga)
2023	The Group started operations in Toronto, Canada, and made two investments in the Canadian real estate market together with its Canadian partner.

2025 The Group started development of the Manufaktuuri Factory residential development at Manufaktuuri 5, which is the biggest residential development of the Group to date, where in the first phase 152 homes are planned to be built.

9.2 Group Structure and Group Companies

Group Structure

As at the date of this Prospectus, the Group structure is the following:



Group Companies

Hepsor AS. Hepsor AS (the Company) is the consolidating parent of the Group. The Company is a holding company and as of 31 December 2024 had one employee (CFO), who is on maternity leave (the management board member is remunerated under a management board member's contract). Until 2019, the Company provided contractual project management services to the Group's SPV and was also responsible for the Group's accounting, which functions were transferred in 2019 to Hepsor Finance OÜ by way of transfer of enterprise (together with all related employees).

Hepsor Finance OÜ. Hepsor Finance OÜ is responsible for the financing of the Group's development projects and as of 2019 provides contractual project management services and accounting to the Group's SPVs. The project management services provided under the contract include essentially the whole life cycle of the development – from risk and financial analyses, product development, budgeting and business plan modelling, scheduling, sales and marketing, architectural, technical and interior design to construction, which the Company must undertake itself or subcontract from third parties. Furthermore, once a development project has been completed and/or sold, the respective SPV is merged into Hepsor Finance OÜ by way of internal restructuring; therefore, all profits (or potential losses) from development projects are consolidated into Hepsor Finance OÜ. As of 31 December 2024, the total number of full-time employees of Hepsor Finance OÜ amounted to 9.

Hepsor Finance OÜ also holds the shares in three Latvian SPVs, which were not transferred to Hepsor Latvia OÜ by way of division (see the description of Hepsor Latvia OÜ for further details). For further information on the SPVs, please refer to the description of SPVs below.

Hepsor Latvia OÜ. Hepsor Latvia OÜ is a holding company of the Group's SPVs in Latvia. Hepsor Latvia OÜ was established in 2021 in connection with an internal restructuring with the purpose of consolidating all future Latvian real estate development projects under a respective holding company and engaging the Group's former Latvian project manager (and now member of the Management Board

of the Company) Martti Krass as a shareholder (Mr Martti Krass formerly held 20% in Hepsor Latvia OÜ, which was replaced with a shareholding in the Company in 2025) into these projects. Hepsor Latvia OÜ does not have employees (the management board member Martti Krass is remunerated under a management board member's contract). For further information on the SPVs, please refer to the description of SPVs below.

Hepsor SIA. Hepsor SIA provides contractual project management services to the Group's SPVs in Latvia. The project management services provided under the contract include essentially the whole life cycle of the development – from risk and financial analyses, product development, budgeting and business plan modelling, scheduling, sales and marketing, architectural, technical and interior design to construction, which Hepsor SIA must undertake itself or subcontract from third parties. Hepsor SIA employs 12 full-time employees (as at 31 December 2024).

Hepsor Bal9 OÜ. Hepsor Bal9 OÜ is a holding company for the Company's shareholding in a project related SPV Hepsor Bal9 SIA. Hepsor Bal9 OÜ does not have any business activities and no full-time employees (as at 31 December 2024). For further information on the SPV, please refer to the description of SPVs below.

Kvarta Holding OÜ. Kvarta Holding OÜ is a holding company for the Company's shareholding in a project related SPV Kvarta SIA. Kvarta Holding OÜ does not have any business activities and no full-time employees (as at 31 December 2024). For further information on the SPV, please refer to the description of SPVs below.

Hepsor Kanada OÜ. Hepsor Kanada OÜ is a holding company for the Company's shareholding in the Canadian subsidiaries within the Hepsor structure. Hepsor Kanada OÜ has two subsidiaries Kanada SPV1 OÜ and Kanada SPV2 OÜ. Hepsor Kanada OÜ does not have any full-time employees (as at 31 December 2024). The Group's projects in Canada are recognised as financial investments. As at the date of the Prospectus, the Group has invested in five different development projects. The Group's activities in Canada are related to increasing the building volume of properties, and in collaboration with partners, plans are underway for approximately 3,000 new rental apartments. For further information on the SPVs, please refer to the description below.

SPVs. The Group's development activities are organised in a way that for each development project, a separate SPV is established, which owns the development-related assets (immovable property). This serves a two-fold purpose: (i) mitigates the Group's risk exposure; and (ii) enables the engagement of external investors into specific projects (where relevant). SPVs are financed either by the Group (Hepsor Finance OÜ) alone or together with external investors, which become the shareholders of the relevant SPV. As a general rule, when engaging external investors for a specific development project, the Company will retain control over the SPV (i.e. holds more than 50% of the shares in the SPV; for any exceptions to this rule, please refer to the table below). The rights and obligations of the Company and any external investors are specified in a shareholder's agreement concluded with respect to the relevant SPV. Among others, the shareholder agreement sets forth the principles of financing of the development project. The Company provides contractual project management services to the Group's SPVs. The SPVs do not have employees. As at the date of this Prospectus, the Group includes 51 SPVs, of which 41 are under the control (shareholding >50%; consolidated) and 10 are affiliates (shareholding <50%) of the Company.

Name	Country of establishment	Shareholding
Hepsor Tooma OÜ	Estonia	100%
Hepsor Phoenix OÜo	Estonia	100%
Kanada SPV1 OÜ	Estonia	100%
Kanada SPV2 OÜ	Estonia	100%
Hepsor Kadaka OÜ	Estonia	100%

Name	Country of establishment	Shareholding
Hepsor Peetri OÜ	Estonia	100%
Hepsor V10 OÜ	Estonia	100%
Hepsor P113 OÜ	Estonia	45% ³
SPV113 OÜ	Estonia	100% ⁴
Hepsor VT49 OÜ	Estonia	50%
Hepsor V7 OÜ	Estonia	50%
Hepsor N57 OÜ	Estonia	100%
Hepsor M7 OÜ	Estonia	100%
Hepsor N170 OÜ	Estonia	100%
Hepsor P26B OÜ	Estonia	100%
Hepsor Phoenix 2 OÜ	Estonia	50%
Hepsor Phoenix 3 OÜ	Estonia	50%
Hepsor Phoenix 4 OÜ	Estonia	50%
Hepsor PV11 OÜ	Estonia	100%
Hepsor M14 OÜ	Estonia	51%
Hepsor 3Torni OÜ	Estonia	100%
Hepsor N450 OÜ	Estonia	100%
Tatari 6a Arenduse OÜ	Estonia	80% ⁵
Hepsor Fortuuna OÜ	Estonia	100%
H&R Residentsid OÜ	Estonia	50%
Hepsor A1 OÜ	Estonia	100%
Hepsor SOF OÜ	Estonia	50% ³
Hepsor S4B SIA	Latvia	100%
Hepsor SA2 SIA	Latvia	51%
Hepsor BAL9 SIA	Latvia	100%
Hepsor Marupe SIA	Latvia	100%
Hepsor BAL7 SIA	Latvia	100%
Hepsor AGEN24 SIA	Latvia	100%
Kvarta SIA	Latvia	100%
Hepsor RD5 SIA	Latvia	100%
Hepsor U34 SIA	Latvia	59.3%
Hepsor Ganibu Dambis SIA	Latvia	100%
SIA Riga Properties 4	Latvia	50%
Hepsor Jugla SIA	Latvia	100%

³ Affiliate company.

⁴ Through Hepsor P113 OÜ in which the Company holds a 45% shareholding.

⁵ The Company is not consolidating Tatari 6a Arenduse OÜ in accordance with the respective shareholders' agreement.

Name	Country of establishment	Shareholding
Hepsor JG SIA	Latvia	100%
Hepsor E18 SIA	Latvia	100%
Hepsor S17 SIA	Latvia	100%
Hepsor Dz74 SIA	Latvia	50%
Hepsor SPV I Ltd.	Canada	100%
Hepsor SPV II Ltd.	Canada	100%
Elysium Isabella Limited Partnership	Canada	5% ⁶
Weston Limited Partnership	Canada	14,5% ⁶
Elysium Glenavy Limited Partnership	Canada	9,5% ⁶
Hepsor & Elysium Limited Partnership	Canada	50% ⁶
Elysium & HEPSOR High Park Limited Partnership	Canada	50% ⁷
Elysium & HEPSOR Brownville Limited Partnership	Canada	50% ⁶

⁶ Recognised as financial investment.

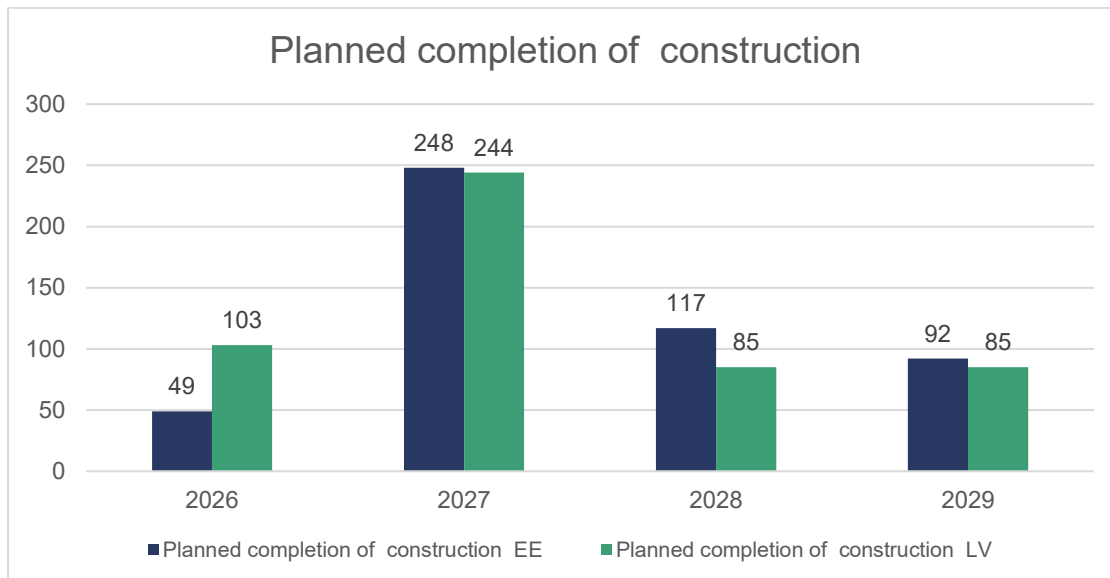
⁷ Through Hepsor & Elysium Limited Partnership, in which Hepsor SPV II Ltd. Holds a 50% shareholding.

9.3 Business Segments

The business segments of the Group include (i) residential development; (ii) commercial development; and (iii) holding companies. In terms of geographical markets, the Group operates in Estonia (Tallinn and Harjumaa), as of 2017 also in Latvia (Riga and Marupe), and as of 2023, in Canada (Toronto).

Residential development. The residential business comprises development and sales of apartments, entire residential areas and private houses. The customers are private consumers and investors. Private consumers purchase one or a few apartments from residential development projects, whereas investors purchase several apartments from residential development projects or a whole residential building or area (primarily for rental purposes). The Group revenue from sales of residential real estate in 2024 amounted to EUR 31.6 million in Estonia (EUR 10.7 million in 2023) and EUR 4.8 million in Latvia (EUR 27.0 million in 2023). The Group's revenues in this segment are dependent mainly on: (i) the development stage of projects; and (ii) the number and timing (e.g., whether the transaction is concluded in December or January) of sales transactions for apartments. In terms of apartments sold, the Group sold 194 apartments in 2024 (165 in Estonia and 29 in Latvia) and 274 apartments in 2023 (215 in Latvia and 59 in Estonia).

The below graph provides an overview of the number of apartments which are expected to be completed between 2026–2029 according to existing pipeline:



**Expected figures, subject to risks, uncertainties and assumptions about the future operations of the Group, the macroeconomic environment and other similar factors.*

As at the date of this Prospectus, the Group has the following residential real estate developments ready for sale:

Project	City	SPV	Area (m ²)	Apts	Construction completed
Manufaktuuri 7 Manufaktuuri 7, Tallinn	Tallinn	Hepsor Phoenix 2 OÜ	664	15	2024
Ojakalda Homes Paldiski mnt 227, Tallinn	Tallinn	Hepsor 3 Tornii OÜ	878.4	13	2024
Lilleküla Homes Nõmme Road 57, Tallinn	Tallinn	Hepsor N57 OÜ	37	1	2023
Nameja Residence	Riga	Hepsor RD5 SIA	277	6	2024

Ranka Dambis 5, Riga					
Annenhof Majās Jurmālas Gatve 74, Riga	Riga	Hepsor JG SIA	391	6	2025

As at the date of this Prospectus, the Group's pipeline for residential real estate developments is the following:

Project	City	SPV	Area (m ²)	Apts	Planned project completion
<u>360° Dzelzavas Residences</u> Dzelzavas Residences, Riga Further information: https://dzresidence.lv/en/#about	Riga	Hepsor Dz74 SIA	5,432	103	2027
<u>Manufaktuuri 12</u> Manufaktuuri 12, Põhja-Tallinn Further information: https://hepsor.ee/manufaktuur/m12/en/	Tallinn	Hepsor Phoenix 4 OÜ	3,060	49	2027
<u>Kirsu Kalna Majas</u> Eizenijas Street 18, Riga Further information: https://hepsor.lv/kirsukalnamajas/en/#about	Riga	Hepsor E18 SIA	2,774	54	2027
<u>Paevälja quarter</u> Paevälja 5,7,9, Tallinn Further information: https://hepsor.lv/annenhofmajas/en/	Tallinn	Hepsor SOF OÜ	5,411	93	2028
<u>Zala Jugla</u> Braila Street 23, Jugla Further information: https://hepsor.lv/zalajugla/?lang=en	Riga	Hepsor Jugla SIA	6,393	105	2028
Võistluse 7, Tallinn	Tallinn	Hepsor V7 OÜ	524	8	2027
<u>Manufaktuuri Factory I phase</u> Manufaktuuri 5, Tallinn Further information: https://hepsor.ee/manufaktuurivabrik/en/	Tallinn	Hepsor Phoenix 3 OÜ	10,420	152	2028
Kadaka road 197, Tallinn	Tallinn	H&R Residentsid OÜ	6,316	101	2028
Narva mnt 150, 150 a, Tallinn	Tallinn	Hepsor SOF OÜ	11,270	209	2030
<u>Manufaktuuri Factory II phase</u> Manufaktuuri 5, Tallinn Further information:	Tallinn	Hepsor Phoenix 3 OÜ	15,088	171	2029

https://hepsor.ee/manufaktuurivabrik/en/ /					
Starta 17, Riga	Riga	Hepsor S17 SIA	15,033	255	2029
Alvari 1,1a, Tallinn	Tallinn	Hepsor A1 OÜ	6,641	145	2029

The Group's activities in Canada are related to increasing the building volume of properties. As at the date of this Prospectus, the Group's pipeline in Canada is the following:

Project	City	SPV	Area (m ²)	Completion
<u>Weston</u> Weston Road, Toronto	Toronto	Weston Limited Partnership	62,000	2025
<u>Gleanavy</u> 17-29 Glenavy Avenue, Toronto	Toronto	Elysium Glenavy Limited Partnership	25,000	2026
<u>Isabella</u> 164 – 168 Isabella Street, Toronto	Toronto	Elysium Isabella Limited Partnership	42,000	2026
<u>High Park</u> 21-29 Oakmount Rd & 26-36 Mountview Avenue	Toronto	Elysium & HEPSOR High Park Limited Partnership	62,000	2027
<u>Brownville</u> Brownville Avenue, Toronto	Toronto	Elysium & HEPOSOR Brownville Limited Partnership	63,000	2027

Commercial development. The commercial business comprises development and lease or sale of offices, retail premises, business premises, logistics centres and warehouses, and hotels. The commercial developments are either sold to a new owner after completion or owned by the Group and leased, decided on a case-by-case subject to, among others, prevailing market situation. The Group revenue from sales/lease of commercial real estate in 2024 amounted to EUR 0.7 million in Estonia (EUR 2.8 million in 2023) and EUR 0.3 million in Latvia (EUR 0.6 in 2023). The Group's revenues in this segment are dependent mainly on: (i) the development stage of projects; and (ii) whether a completed development is sold or leased.

As at the date of this Prospectus, the Group has the following commercial real estate developments ready:

Project	City	SPV	Area (m ²)	Construction completed
<u>P113 Health centre</u> Pärnu mnt 113, Tallinn	Tallinn	Hepsor P113 OÜ	4,002	2022
<u>Gryne Office</u> Meistri Street 14, Tallinn	Tallinn	Hepsor M14 OÜ	3,474	2023
<u>Manufaktuuri 7</u> Manufaktuuri 7, Tallinn	Tallinn	Hepsor Phoenix 2 OÜ	466	2024
<u>StockOffice U34</u> Ulbrokas 34, Riga	Riga	Hepsor U34 SIA	8,747	2025

As at the date of this Prospectus, the Group's pipeline for commercial real estate developments is the following:

Project	City/county	SPV	Area (m ²)	Completion
<u>Veidama Quarter I phase</u> Ganību dambis 17A, Riga Further information: https://hepsor.lv/veidamakvartals/	Riga/Latvia	Hepsor Ganibu Dambis SIA	5,154	2027
<u>Paevälja quarter</u> Paevälja 5,7,9, Tallinn	Tallinn/Estonia	Hepsor SOF OÜ	918	2027
<u>Peetri commercial building</u> Vana-Tartu maantee 49, Peetri Further information: https://hepsor.ee/en/project/new-commercial-building-in-peetri/	Rae/Estonia	Hepsor VT49 OÜ	3,551	2027
<u>Smaidu park</u> Further information: https://hepsor.ee/en/project/smaidu/	Riga/Latvia	SIA "Riga Properties 4"	74,314	2027-2028
<u>Manufaktuuri Factory II phase</u> Manufaktuuri 5, Tallinn Further information: https://hepsor.ee/manufaktuurivabrik/en/	Tallinn/Estonia	Hepsor Phoenix 3 OÜ	1,731	2029
Narva mnt 150b, Tallinn	Tallinn/Estonia	Hepsor N450 OÜ	4,185	2029
Alvari 1,1a, Tallinn	Tallinn/Estonia	Hepsor A1	777	2029
<u>Veidama Quarter II phase</u> Ganību dambis 17A, Riga Further information: https://hepsor.lv/veidamakvartals/	Riga/Latvia	Hepsor Ganibu Dambis SIA	18,961	2030

Holding companies. This segment includes the activities of the Group's holding companies (Hepsor OÜ, Hepsor Finance OÜ, Hepsor Bal9 OÜ, Hepsor SIA, Hepsor Kanada OÜ, and Hepsor Latvia OÜ). Reported revenues under this segment in the Financial Statements include primarily project management fees (excluding intra-group transactions) and in 2024 amounted to EUR 0.916 million (EUR 0.088 million in 2023).

9.5 Financing of Activities

The Group is focusing on development of existing land plots, which, in turn, will expand its sellable asset base. However, in addition to the development of its already existing sizeable real estate portfolio, the Group constantly also assesses opportunities to extend and strengthen it. As a general rule, the investments made by the Group companies are financed by own funds or by additional capital engaged from the shareholders of the Company and selected investors.

Significant Investments. During the period covered by the Financial Statements, the Group companies have made no significant investments outside the Group's day-to-day business activities. As at the date

of this Prospectus, the Group companies have not made any firm commitments on significant future investments.

9.6 Trend Information

The Group's operating environment is primarily impacted by the trends in the real estate sector in Estonia, Latvia, and Canada.

Estonian real estate sector. The real estate sector in Tallinn has steadily grown in the last year with few minor monthly setbacks. This has resulted in a 26% increase in demand for new apartments in Tallinn and surrounding areas. The stock of housing loans has risen about 1 million in the past year and the annual growth of loan is around 9%.⁸ The European Central Bank's rate-cutting cycle has eased borrowing costs across the EU, further supporting housing affordability and boosting buyer confidence in Tallinn. The combination of lowered interest rates, continuing stable wage growth, and stable pricing has laid the groundwork for an expected continued recovery in the real estate sector.

Latvian real estate sector. Riga's real estate sector has shown a strong upward trend in 2025, with monthly rise of demand for finished apartments which has in total risen by around 47% compared to the previous year, returning to the levels seen in 2021-2023. This momentum is largely driven by lowered interest rates, that are at their lowest in past two years, which has improved the loan affordability for households. Combined with wage growth, positive outlook on the economic growth by Latvijas Banka⁹, variable offers on the primary market, the rising purchasing power is expected to encourages buyers to return to the market for new apartments.

Canadian real estate sector. In Toronto and its surrounding areas (the Greater Toronto Area) the population has grown by about 1 million inhabitants in the past 8 years. This has led to an increase in demand for rental spaces in the area as the new inhabitants usually opt for rental housing in the beginning. The purpose-built rental houses proportion of completed developments has fallen in Toronto area in the past year and the demand for rental apartments is expected to grow in the near future. This is also driven by the tightening supply and sales of condominiums in the area, due to their affordability and high borrowing costs. The condominium apartment development has plummeted and the construction activity is at the level of 2009. This makes it necessary to stream rental construction in the area to provide enough housing opportunities for inhabitants.¹⁰

The Management is not aware of any other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

There has been no material adverse change in the prospects of the Group since 31 December 2024.

9.7 Material Agreements

The Group companies are not parties to any material agreements outside of their ordinary course of business, which may result in the Group companies obtaining rights or incurring obligations which may materially affect the Group companies' ability to perform their obligations or have a material adverse effect on the financial position or operations of the Group companies.

9.8 Legal Proceedings

Hepsor Phoenix OÜ court case with Manufaktuuri 18 apartment owners

The apartment owners of Manufaktuuri 18 apartment building have submitted a court claim against Group affiliate Hepsor Phoenix OÜ (SPV established for the development of Manufaktuuri 18 real estate

⁸ Stock of loans and leasings to residents granted to non-financial corporations and households. Eesti Pank (<https://statistika.eestipank.ee/#/en/p/889/r/1633/1482>).

⁹ Latvijas Banka has revised its macroeconomic forecasts. June 2025. (<https://www.macroconomics.lv/forecasts/latvijas-banka-has-revised-its-macroeconomic-forecasts-june-2025>).

¹⁰ Fall 2025 Housing Supply Report (<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/housing-market/housing-supply-report>).

development project) for damages related to costs of repairs necessary to rectify the alleged deficiencies in the apartment and parking buildings. The claim (incl. late interest and other ancillary claims) amounts to ca EUR 0.5 million. As more than 5 years have passed since completion of the buildings, Hepsor Phoenix OÜ has put forward a limitation defence but notwithstanding that, neither party has excluded the possibility of a compromise. As at the date of this Prospectus, the court case is pending the court's interim judgment on expiry of claims.

Hepsor P113 OÜ court cases with Novel Clinic Assets OÜ and related persons

Group company Hepsor P113 OÜ is involved in several court proceedings with Novel Clinic Assets OÜ (a former tenant in Pärnu mnt 113 commercial building with a leasable area of 4,000 m² developed and owned by Hepsor P113 OÜ) and related persons to the tenant. Hepsor P113 OÜ terminated the lease agreement with Novel Clinic Assets OÜ due to significant and continuous violation of lease terms by the tenant, which was followed by a claim for damages amounting to approximately EUR 3 million against the tenant. The objective of the Company and the other shareholders of Hepsor P113 OÜ was to seek an extrajudicial solution.

On 9 November 2023, the tenant filed a lawsuit with Harju County Court to restore the lease agreement, seek compensation (in the amount of ca EUR 7 million) for the termination of the lease agreement, and reclaim the assets left in the premises. Hepsor P113 OÜ has filed a counterclaim (in the amount of EUR 2.9 million) for damages in the court proceedings.

In relation to termination of the lease agreement, related persons to the tenant – affiliate company IIsanta UAB and parent company Concept 5 Clinic UAB – have in parallel filed lawsuits with Harju County Court against Hepsor P113 OÜ for compensation (in the amount of ca EUR 7.6 million in total) and recovery of assets left on the premises.

While Harju County Court has dismissed the claim for compensation of Concept 5 Clinic UAB (in the amount EUR 6.54 million), all other court proceedings have been, as at the date of this Prospectus, suspended in connection with the bankruptcy proceedings of Novel Clinic Assets OÜ, where the court is expected to also resolve on the validity of termination of the lease agreement by Hepsor P113 OÜ.

Other than the above, there are no legal or administrative proceedings to which a Group company has been party to (including any such proceedings which are pending or threatened of which the Management is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, significant effects on the Group's financial position or profitability.

10. TAXATION

Introductory Remarks. The purpose of this section is to give an overview of the tax regime applicable to the bondholders and the Company. The below summary is in no way exhaustive and is not meant to constitute professional advice to any person. Tax legislation of the investor's member state and of the Company's country of incorporation may have an impact on the income received from the Bonds. In order to establish particular tax consequences of the Offering or the ownership of the Bonds, each individual investor is advised and strongly encouraged to seek specialist assistance.

Capital Gains from Sale or Exchange of Bonds. Gains realised by an Estonian resident individual are taxable on a cash-basis. Upon the sale or exchange of securities (including the Bonds) gains are subject to income tax at the rate of 22%¹¹. Since all earnings of resident legal persons, including capital gains, are taxed only upon distribution of profits, capital gains realised by resident legal persons are not subject to immediate taxation. As a rule, capital gains received by non-residents from the sale or exchange of securities are not taxed in Estonia (except for certain securities related to Estonian real estate). The non-resident bondholders receiving capital gains from the sale or exchange of the Bonds may be subject to declaring and paying income tax in their respective countries of residence. For the purposes of capital gains taxation, the gain derived from the sale of securities (including the Bonds) is the difference between the acquisition cost and the sales price of such securities. The gain derived from the exchange of securities is the difference between the acquisition cost of securities subject to exchange and the market price of the property received as the result of the exchange. The expenses directly related to the sale or exchange of shares may be deducted from the gains but are generally rather limited.

Taxation of Interest. Estonian resident individuals are subject to paying income tax (22%)¹² on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Estonian resident individuals from the Bonds is subject to income tax in Estonia. Income tax is withheld by the payor unless the resident individual notifies the Company that Bonds were acquired from funds held in the Investment Account or the Pension Investment Account. Since all earnings of resident legal persons are taxed only upon distribution (as described below), interest received by Estonian resident legal persons is not subject to immediate taxation. As a rule, interest payments received by non-residents are exempt in Estonia (i.e. no withholdings are made). Note, however, that non-resident bondholders receiving interest from the Bonds may be subject to declaring and paying income tax in their respective countries of residence.

Investment Account. Individuals may defer the taxation of their investment income by using an investment account (in Estonian: *investeerimiskonto*) for the purposes of making transactions with financial assets (including the Bonds). An investment account is a monetary account opened with an European Economic Area or the Organisation for Economic Co-operation and Development (OECD) member state credit institution, through which the transactions with the financial assets, taxation of income from which (e.g. capital gains, interest, etc.) a person wants to defer, shall be made. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid into the account). Therefore, financial income held at the investment account may be reinvested tax-free until it is withdrawn from the account.

Pension Investment Account. Estonian resident individuals who have decided to grow their Estonian mandatory funded pension (II Pillar) via pension investment account (PIA, in Estonian: *pensionii investeerimiskonto*), can also acquire the Bonds through PIA. Pension investment account is a separate bank account opened with an Estonian credit institution, which, on the one hand, is part of the

¹¹ In July 2025 amendments to the Income Tax Act took effect, providing for a higher income tax rate of 24% starting from 1 January 2026. However, in September 2025 the Government of the Republic of Estonia announced a plan to reverse the income tax increase. As at the date of this Prospectus, a relevant bill has been submitted to the proceedings of the Estonian Parliament but has not been adopted yet. If the Estonian Parliament will pass such bill and reverse the increase, the income tax rate will remain at 22%.

¹² Same as above.

mandatory funded pension system (incl. relevant benefits, such as additional contributions from the state), but on the other hand allows the person to make their own investment decisions. Like the ordinary investment account, PIA allows making of transactions with financial assets, whereas taxation of income from such assets (e.g., capital gain or interest from the Bonds) is deferred until income is withdrawn from PIA. Monetary means withdrawn from PIA are, generally, taxed at a 22%¹³ income tax rate, unless withdrawn after reaching the retirement age, in which case a 10% income tax rate or a tax exemption (depending on the method of payment) applies.

¹³ Same as above.

11. GLOSSARY

Term	Definition
Articles of Association	shall mean the Articles of Association of the Company effective as at the date of this Prospectus.
Audited Financial Statements	shall mean the consolidated audited financial statements as of and for the years ended 31 December 2023 and 31 December 2024, prepared in accordance with the IFRS.
Bonds	shall mean any and all of the Company's unsecured bonds offered as part of the Programme in accordance with the Prospectus.
Company	shall mean Hepsor AS, an Estonian public limited company, registered in the Estonian Commercial Register under register code 12099216, having its registered address at Järvevana tee 7b, 10112 Tallinn, Estonia.
EFSA	shall mean the Estonian Financial Supervision and Resolution Authority, a financial supervision and crisis resolution authority with autonomous responsibilities under the respective financial sector laws and regulations applicable in Estonia.
ERS	shall mean the Estonian Register of Securities, operated by Nasdaq CSD SE Estonian branch, registered in the Estonian Commercial Register under register code 14306553, having its registered address at Maakri 19/1, 10145 Tallinn, Estonia.
EUR	shall mean the official currency of Eurozone countries, including Estonia, Latvia and Lithuania, the euro.
Eurozone	shall mean the economic and monetary union (EMU) of the European Union member states, which have adopted euro as their single official currency.
Excluded Territories	shall mean Australia, Canada, Hong Kong, Japan, South Africa and any other jurisdiction where the distribution of this Prospectus and/or the transfer of the Bonds would breach applicable law.
Financial Statements	shall mean the Audited Financial Statements and Interim Financial Statements.
General Meeting	shall mean the General Meeting of shareholders of the Company, the highest governing body of the Company.
Group	shall mean the Company and all its subsidiaries.
IFRS	shall mean the International Financial Reporting Standards as adopted by the European Union.
Interim Financial Statements	shall mean the unaudited consolidated interim financial statements of the Group as of and for the 9-months period ended on 30 September 2025,

	prepared in accordance with International Accounting Standards (IAS) 34 “Interim Financial Reporting”.
Management	shall mean the Management Board and the Supervisory Board of the Company.
Management Board	shall mean the Management Board of the Company.
Nasdaq CSD	shall mean Nasdaq CSD SE Estonian branch, registered in the Estonian Commercial register under register code 14306553, having its registered address at Maakri 19/1, 10145 Tallinn, Estonia, acting as the operator of the ERS.
Nasdaq Tallinn Stock Exchange	shall mean the only regulated market operated by Nasdaq Tallinn AS (register code 10359206).
Offering Period	shall mean the period of time set out in the Final Terms for each series of the Bonds during which investors will have the opportunity to submit Subscription Undertakings.
Offer Price	shall mean the issue price payable for each Bond as specified in the Final Terms.
Offering	shall mean the offering of the Bonds to institutional and retail investors in any or all of Estonia, Latvia, and Lithuania (as applicable), which is a public offering of securities within the meaning of the Prospectus Regulation.
Prospectus	shall mean this document, including the registration document of the Company and the securities notes of the Bonds.
Prospectus Regulation	Regulation No 2017/1129/EU of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.
Restricted Territories	member states of the European Economic Area (excluding Estonia, Latvia, and Lithuania).
Section	shall mean a section of this Prospectus.
SPV	shall mean Hepsor Tooma OÜ, Hepsor Phoenix OÜ, Kanada SPV1 OÜ, Kanada SPV2 OÜ, Hepsor Kadaka OÜ, Hepsor Peetri OÜ, Hepsor V10 OÜ, Hepsor P113 OÜ, SPV113 OÜ, Hepsor VT49 OÜ, Hepsor V7 OÜ, Hepsor N57 OÜ, Hepsor M7 OÜ, Hepsor N170 OÜ, Hepsor P26B OÜ, Hepsor Phoenix 2 OÜ, Hepsor Phoenix 3 OÜ, Hepsor Phoenix 4 OÜ, Hepsor PV11 OÜ, Hepsor M14 OÜ, Hepsor 3Torni OÜ, Hepsor N450 OÜ, Tatari 6a Arenduse OÜ, Hepsor Fortuuna OÜ, H&R Residentsid OÜ, Hepsor A1 OÜ, Hepsor SOF OÜ, Hepsor S4B SIA, Hepsor SA2 SIA, Hepsor BAL9 SIA, Hepsor Marupe SIA, Hepsor BAL7 SIA, Hepsor AGEN24 SIA, Kvarita SIA, Hepsor RD5 SIA, Hepsor U34 SIA, Hepsor Ganibu Dambis SIA, SIA Riga Properties 4, Hepsor Jugla SIA, Hepsor JG SIA, Hepsor E18 SIA, Hepsor S17 SIA, Hepsor Dz74 SIA, Hepsor

	SPV I Ltd., Hepsor SPV II Ltd., Elysium Isabella Limited Partnership, Weston Limited Partnership, Elysium Glenavy Partnership, Hepsor & Elysium Limited Partnership, Elysium & HEPSOR High Park Limited Partnership, Elysium & HEPSOR Brownville Limited Partnership.
Subscription Undertaking	shall mean the order submitted by an investor for the purchase of the Bonds in accordance with the terms and conditions of the Offering.
Summary	shall mean the summary of this Prospectus.
Supervisory Board	shall mean the Supervisory Board of the Company.
Terms and Conditions of the Bonds	shall mean the Terms and Conditions of the Bonds accessible through https://hepsor.ee/Hepsor_AS_Terms_and_Conditions_of_the_Bonds.pdf .

COMPANY

Hepsor AS

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hepsor

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AS LHV Pank

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LHV

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 **Grant Thornton**