SIA Saules BESS

Registration No. 40203716498

LEI: **64882KI5A10X98TAW988**

OFFERING MEMORANDUM

ISIN:	LV0000112019
Type of security:	Secured Notes
Nominal:	EUR 1,000.00 (one thousand euro)
Nominal value of the issue:	EUR 22,000,000.00 (twenty two million euro)
Annual Coupon Rate:	3M EURIBOR + 9%
Maturity:	31.12.2029

*This Offering Memorandum (the "**Offering Memorandum**") is not a prospectus for the purposes 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 (the "**Prospectus Regulation**") and no competent authority of any Member State has examined or approved the contents thereof. This Offering Memorandum has been prepared on the basis that all offers of the debt securities are issued by the Issuer according to this Offering Memorandum and will be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation.*

*The issue of the debt securities by the Issuer according to this Offering Memorandum (the "**Notes**") is a private placement and there is no intention of the Issuer to list the Notes on a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**").*

The Issuer is a company incorporated and existing under the laws of the Republic of Latvia and the applicable laws allow the Issuer to record the issue with the central securities depository of Latvia – Nasdaq CSD SE.

The decision of the Issuer to organize the issue of the Notes has been passed in compliance with the laws of the Republic of Latvia. The issue of the Notes, including the relationship between the Issuer and the prospective investors or any third parties, and their respective rights and duties attached to the Notes are governed by the laws of the Republic of Latvia.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

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

In accordance with Article 5f of Council Regulation (EU) No. 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (as amended), it is prohibited to sell the Notes to any Russian national or natural person residing in Russia any legal person, entity or body established in Russia. This prohibition shall not apply to nationals of a Member State of the European Union, of a country member of the European Economic Area or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the European Economic Area or in Switzerland.

In accordance with Article 1y of Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus (as amended), it is prohibited to sell the Notes to any Belarusian national or natural person residing in Belarus or any legal person, entity or body established in Belarus. This prohibition shall not apply to nationals of a Member State of the European Union or to natural persons having a temporary or permanent residence permit in a Member State of the European Union.

Before deciding to purchase the Notes, prospective investors must make their own assessment as to the suitability of investing in the Notes. In particular, each prospective investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the Terms and Conditions of the Notes and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, before deciding to purchase the Notes, prospective investors should carefully review and consider the risk factors described herein. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. If any of these risks materialize, the market value of the Notes and the likelihood the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the Noteholders could lose all or part of their investments.

Any previous discussions or presentations provided to prospective investors were solely for information purposes and the Notes are issued in accordance with this Offering Memorandum. A prospective investor should not make an investment decision relying solely upon the information provided to the prospective investor in any presentation or otherwise.

Arranger:

SIGNET BANK

9 June 2026

TABLE OF CONTENTS

RISK FACTORS

Words and expressions defined in the Terms and Conditions of the Notes below or elsewhere in the Offering Memorandum have the same meanings in this section.

BELOW IS THE DESCRIPTION OF THE RISK FACTORS THAT ARE MATERIAL FOR THE ASSESSMENT OF THE MARKET RISK ASSOCIATED WITH THE NOTES AND RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES, AS WELL AS THE MARKET PRICE AND VALUE OF THE NOTES. SHOULD ONE OR MORE OF THE RISKS DESCRIBED BELOW MATERIALISE, THIS MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CASH FLOWS, RESULTS OF OPERATIONS, AND FINANCIAL CONDITION OF THE ISSUER AND THE COMPANY. MOREOVER, IF ANY OF THESE RISKS MATERIALISE, THE MARKET VALUE OF THE NOTES AND THE LIKELIHOOD THAT THE ISSUER WILL BE IN A POSITION TO FULFIL ITS PAYMENT OBLIGATIONS UNDER THE NOTES MAY DECREASE, IN WHICH CASE THE PROSPECTIVE INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENTS.

THE RISK FACTORS DESCRIBED HEREIN ARE THE RISKS WHICH THE ISSUER HAS DEEMED MATERIAL; HOWEVER, THEY ARE NOT THE ONLY FACTORS AFFECTING THE ISSUER'S ACTIVITIES. THEREFORE, THE ISSUER DOES NOT CLAIM THAT THE STATEMENTS BELOW REGARDING THE RISKS OF ACQUIRING AND/OR HOLDING ANY NOTES ARE EXHAUSTIVE. ALSO, OTHER FACTORS AND UNCERTAINTIES THAN THOSE MENTIONED HEREIN, WHICH ARE CURRENTLY UNKNOWN OR DEEMED IMMATERIAL, COULD NEGATIVELY AFFECT THE COMPANY'S CASH FLOWS, RESULTS OF OPERATIONS AND, THEREBY, THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES, AS WELL AS THE MARKET PRICE AND VALUE OF THE NOTES. MOREOVER, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT SEVERAL OF THE DESCRIBED RISK FACTORS CAN OCCUR SIMULTANEOUSLY AND TOGETHER WITH OTHER CIRCUMSTANCES COULD HAVE A POTENTIALLY STRONGER IMPACT ON THE ISSUER OR THE COMPANY.

BEFORE DECIDING TO PURCHASE THE NOTES, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO ALL OTHER INFORMATION PRESENTED IN THE OFFERING MEMORANDUM, AND CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS IF NECESSARY.

RISKS RELATED TO THE ECONOMIC AND REGULATORY ENVIRONMENT

Exposure to macroeconomic volatility across the Baltics, Europe, and global markets may adversely affect the Issuer's financial performance and investment returns.

The Issuer's business is influenced by macroeconomic factors affecting the economies of the markets in which it operates. Furthermore, as the Issuer, through third-party electricity trading and market access arrangements, sells part of the electricity it produces on power exchanges, the Issuer's business is also impacted by macroeconomic factors affecting the Baltic, Nordic, Eastern and Central European regions. The Baltic electricity markets remain closely interconnected with Nordic and broader European electricity systems and are sensitive to cross-border transmission capacity constraints, regional balancing market developments and broader European energy market dynamics.

The Issuer's business model is materially linked to energy price volatility in wholesale electricity markets. Various macroeconomic factors may lead to market normalization and reduced price volatility, including changes in European energy supply dynamics, successful energy supply diversification, accelerated deployment of non-intermittent baseload generation or large-scale renewable energy with integrated storage, permanent industrial demand reduction, energy efficiency improvements and macroeconomic slowdown reducing overall electricity demand and flattening demand curves. Any such reduction in energy price volatility could significantly diminish the economic returns from the Issuer's battery storage assets and materially adversely affect the Issuer's financial performance.

Further, deteriorating economic conditions may have an inhibiting effect on electricity demand and consumption patterns, particularly from industrial and commercial consumers who represent key drivers of peak demand periods. A macroeconomic recession or sustained low growth in the Issuer's operating markets could reduce overall electricity consumption, decrease the frequency and magnitude of price spikes during peak periods and compress the price differentials between peak and off-peak hours upon which the Issuer's arbitrage operations depend.

Additionally, deteriorating economic conditions may negatively impact the availability and cost of financing for the Issuer's refinancing plans, increase counterparty credit risk in wholesale market and ancillary services arrangements and reduce investor appetite for renewable energy infrastructure investments, thereby constraining the Issuer's ability to deploy additional battery storage capacity and limiting future revenue growth.

Any of the foregoing factors could have a material adverse effect on the Issuer's business, financial condition, results of operations and the Issuer's ability to meet its obligations under the Notes.

Geopolitical instability in neighbouring regions may adversely affect the Issuer's BESS portfolio, funding environment, and financial performance

The Issuer's operations and financial performance are exposed to geopolitical developments affecting the Baltic region, Europe and global energy markets. Political instability, military conflicts, sanctions regimes, trade restrictions, cyberattacks, disruptions to energy infrastructure and broader geopolitical tensions may adversely affect electricity markets, supply chains, financing conditions and investor confidence.

European and national authorities have demonstrated willingness to intervene directly in energy markets through emergency measures, including mandatory demand reduction targets, revenue caps on electricity generators, market correction mechanisms and price caps in response to energy crises. Such regulatory interventions can directly compress or eliminate the price differentials upon which the Issuer's business model depends. Changes in renewable energy policies, including reductions in subsidies or support mechanisms, modifications to grid connection priorities, alterations to capacity market designs or the introduction of additional windfall taxes or solidarity contributions on energy sector profits, could materially adversely affect the Issuer's profitability. Furthermore, political decisions regarding nuclear power expansion, fossil fuel phase-out timelines, cross-border electricity market coupling arrangements, synchronization and transmission frameworks within the Baltic and European electricity systems or the implementation of permanent price stabilization mechanisms could fundamentally alter the competitive dynamics and volatility characteristics of wholesale electricity markets in the Issuer's operating jurisdictions.

Geopolitical instability may also negatively affect the availability and pricing of battery cells, transformers, inverters and other critical equipment required for the maintenance and operation of the Issuer's BESS portfolio. In addition, heightened geopolitical uncertainty may reduce the availability of debt and equity financing, increase financing costs and reduce investor appetite for renewable energy and energy infrastructure investments.

Any of the foregoing factors could materially adversely affect the Issuer's business, financial condition, results of operations, future growth prospects and the Issuer's ability to meet its obligations under the Notes.

Public health crises or future pandemics may adversely affect the Issuer's operations, investment activities, and financial performance

Public health crises, pandemics, epidemics or other widespread health emergencies may adversely affect the Issuer's operations, project development activities, supply chains and financial performance. Such events may result in workforce shortages, travel restrictions, disruptions to international trade and logistics networks, delays in equipment deliveries, increased procurement costs and broader economic uncertainty across the markets in which the Issuer operates. The Issuer's development and construction activities are dependent on the timely availability of specialized equipment, contractors, engineering services and grid infrastructure components, all of which may be negatively affected during periods of public health disruption.

In addition, public health crises may adversely affect electricity demand patterns, financing conditions, investor appetite for renewable energy infrastructure investments and the operational capacity of contractors, regulatory authorities and grid operators. Such events may delay project development and construction timelines, postpone revenue generation, increase project costs and reduce access to financing on commercially acceptable terms. Any such events could have a material adverse effect on the Issuer's business, financial condition, results of operations, future growth prospects and the Issuer's ability to meet its obligations under the Notes.

The local tax regime may change

Changes to the local tax regime or challenges to the current tax structures of the Company's business could have a material adverse effect on the Company's business, financial condition or results of operations. Additionally, certain tax positions taken by the Company require the judgement of management and, thus, could turn to be inefficient or challenged by tax authorities due to possible erroneous interpretation of tax legislation.

Changes in laws, regulations and enforcement activities may adversely affect the Company's products and services and the markets in which it operates

The BESS industry is subject to various European Union and national laws and regulations relating to electricity market operations, grid connection, licensing, environmental protection, land use, construction, fire safety, cyber security, energy trading and balancing services. In Latvia, this includes, among others, oversight by the relevant energy and environmental authorities, compliance with technical grid requirements, permitting procedures and operational standards applicable to energy infrastructure assets. These regulations may evolve over time and differ across jurisdictions, creating complex and changing compliance obligations for the Issuer.

The Issuer may in the future be affected by stricter regulatory requirements, including those related to electricity market participation, grid balancing, environmental impact, sustainability reporting, safety standards or battery recycling and disposal obligations. Any such changes may require modifications to the Issuer's facilities, systems or operating model and could necessitate additional capital expenditures or increase operating costs, which may adversely affect the Issuer's business, financial condition and results of operations.

The Issuer's operations may also be impacted by expanding regulatory requirements concerning sustainability, climate policies, emissions reduction targets and ESG-related disclosure obligations. Compliance with these laws and regulations may require additional investments in existing and future projects, including upgrades to technology, monitoring systems and operational processes.

Failure to comply with applicable laws, regulations, permits or technical requirements could result in fines, penalties, operational restrictions, revocation of licenses or other sanctions, potentially adversely affecting the Issuer's reputation, financial condition and operating results. In addition, changes in the regulatory framework governing electricity markets, ancillary services or grid tariffs may reduce the commercial attractiveness or profitability of BESS Projects operations, which could materially adversely affect the Issuer's business and financial performance.

RISKS RELATED TO THE COMPANY'S BUSINESS AND THE INDUSTRY

The Issuer is a recently established company with no operating history, financial track record or revenue-generating history

The Issuer was incorporated in February 2026 and has been established as a project company for the development and operation of utility-scale battery energy storage system assets in Latvia. As at the date of this Offering Memorandum, the Issuer has no material operating history, no audited financial track record and has not yet generated revenue from its intended business activities.

Although the Issuer has been established as an expansion platform alongside the renewable energy operations of SIA Saules Energy, the Issuer itself has not previously developed or operated BESS and remains at an early stage of implementation. The Issuer's business plan is based on the successful completion and commercial operation of its 120 MWh BESS project and on its ability to generate revenue from participation in wholesale electricity and ancillary services markets through cooperation with specialised third-party electricity trading and optimisation partners. As at the date of this Offering Memorandum, more than half of the equipment required for the Project has already been delivered to Riga, while the remaining equipment is in transit and is expected to be delivered by the end of June 2026.

While the Issuer currently expects to complete the Project within the planned timeframe and to achieve operational readiness across the targeted electricity and balancing markets by December 2026, this remains subject to the timely completion of construction, commissioning, grid-related processes, market access arrangements and other implementation steps. Accordingly, there can be no assurance that the Project will be completed or become operational within the expected timeframe, or that the Issuer will generate revenues, cash flows or profitability in line with its business plan. The absence of a historical financial and operating track record makes it more difficult for prospective investors to evaluate the Issuer's business, financial condition, prospects and ability to meet its obligations under the Notes. If the Issuer is unable to complete the Project, commence commercial operations, generate sufficient revenues or achieve profitability, this may have a material adverse effect on the Issuer's business, financial condition and results of operations and on its ability to make payments under the Notes.

Risk of increase of expenditures due to inflation

Inflationary pressures may increase the Issuer's operating and capital expenditures, including costs relating to battery cells, transformers, grid connection infrastructure, engineering, procurement and construction activities, maintenance services and labour. Sustained inflation may also contribute to higher interest rates, increased financing costs and reduced availability of external funding. To the extent that increases in costs are not offset by corresponding increases in revenues or electricity market opportunities, the Issuer's profitability, cash flow generation and expected project returns may be materially adversely affected, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and the Issuer's ability to meet its obligations under the Notes.

Dependence on external funding may expose the Issuer to refinancing risk, limited access to capital, or increased financing costs

The Issuer's business and growth strategy are dependent on continued access to external financing, including bank financing, project-level debt and capital markets financing. The Issuer expects to finance a substantial portion of its development, construction and expansion activities through external funding sources. Access to financing is subject to a variety of factors, many of which are outside of the Issuer's control, including macroeconomic conditions, geopolitical developments, interest rate environments, investor appetite, regulatory changes and conditions in the financial and capital markets.

Deterioration in market conditions, increased financing costs, reduced liquidity in debt or capital markets, tightening lending standards or adverse developments affecting the Issuer or the renewable energy sector may limit the Issuer's ability to obtain additional financing or refinance existing indebtedness on commercially acceptable terms or at all. Access to financing may also be restricted by financial covenant obligations, project performance issues or declines in the value or expected returns of the Issuer's assets.

In addition, increased indebtedness may expose the Issuer to higher refinancing risk, greater sensitivity to increases in interest rates, reduced financial flexibility and increased vulnerability to adverse economic or market developments. Higher leverage levels may also limit the Issuer's ability to pursue strategic opportunities, raise additional financing or withstand periods of reduced revenues, lower electricity market volatility or project underperformance. Any inability to secure sufficient financing or refinance existing indebtedness could have a material adverse effect on the Issuer's business, financial condition, results of operations and the Issuer's ability to meet its obligations under the Notes.

Risks related to inability to complete projects under construction

All the development and construction phase projects are subject to risks in the development and construction phase relating in particular to engineering and design, equipment supply and construction performance. The inability to complete construction, or to complete it on a timely basis, may result in contractual defaults, contractual liability payments, impairment of assets, among other adverse consequences. Projects may encounter a range of difficulties in the construction phase that result in delays or higher than expected costs that may not be fully covered or adequately addressed by performance guarantees from contractors, damages clauses or insurance, including but not limited to the following:

- contractor or sub-contractor defaults and performance shortfalls;
- delays due to unforeseen events, such as global pandemics, recessions, or acts of war;
- damage to equipment in the course of delivery as a result of accidents or otherwise;
- damage to components or equipment in the course of installation;
- adverse weather, environmental and geological conditions, force majeure and similar events;
- theft and vandalism; and
- regulatory authorizations or difficulties in obtaining permits.

The Issuer's financial position is dependent on the performance of electricity market

The Issuer's operations are exposed to fluctuations and volatility in electricity market prices. The commercial viability of battery assets depends significantly on the availability of sufficient price differentials between charging and discharging periods, as well as revenues generated from balancing services markets.

Should electricity prices or market volatility decline, whether temporarily or permanently, arbitrage opportunities may diminish, ancillary service prices may fall, and portfolio utilization may decrease. In such environments, the Issuer may need to rebalance its portfolio towards ancillary services or contracted products, though these alternatives may not offer comparable scale or margins. This could further pressure revenues, EBITDA and cash flow.

Reductions in volatility and spreads can arise from, among other things, increased installed battery storage capacity and system flexibility, market saturation in ancillary and congestion management services, transmission constraints that limit cross-zonal arbitrage, and structural market design changes (including price caps/floors, reserve product redesign or co-optimization rules) that dampen price formation. The aforementioned factors are largely outside of the Issuer's control and could, if they occur, persist for extended periods and their duration is inherently uncertain.

Any of the foregoing factors may occur, individually or in combination, and could have a material adverse effect on the Issuer's business, financial condition, results of operations, and the Issuer's ability to meet its obligations under the Notes.

Volatility in financial performance, intercompany dependencies, and impairment risk may affect the Issuer's financial results

The Issuer's financial performance may fluctuate significantly between reporting periods due to changes in electricity market conditions, balancing and ancillary service revenues, project development timelines, asset commissioning schedules, financing costs and the operational performance of individual projects within the Issuer. The Issuer's results may also be affected by delays in project completion, changes in expected project economics, cost overruns, lower than expected utilization of battery energy storage assets and adverse developments in wholesale electricity markets. As a result, the Issuer's revenues, EBITDA, cash flows and profitability may vary materially from period to period.

The Issuer operates together with multiple affiliates and project-level entities within the Shareholder group and may depend on cash flows, distributions and operational performance generated by such entities in order to meet its financial obligations. In addition, the Issuer may be required to recognize impairments or write-downs relating to battery energy storage assets, development projects, grid connection rights or other assets if expected project returns deteriorate, projects are delayed or cancelled, market conditions weaken or assets underperform relative to expectations. Any such impairments, operational underperformance or intercompany dependencies could have a material adverse effect on the Issuer's business, financial condition, consolidated financial results and the Issuer's ability to meet its obligations under the Notes.

Reliance on external trading partners may expose the Issuer to operational, performance and continuity risks

The Issuer will rely on external trading partners and service providers for the commercial optimisation of its BESS Projects, including the execution of wholesale market and ancillary services strategies. The Issuer may have limited visibility over the proprietary models, algorithms, assumptions, and trading decisions used by such external trading partners to generate revenues. As a result, the Issuer may not be able to fully assess, replicate, or independently verify the effectiveness of the trading strategies on which its projected revenues are based. If the trading models, optimisation systems or market assumptions of such partners prove to be ineffective, become outdated, fail to adapt to changing market conditions or otherwise underperform, the Issuer's revenues, profitability and cash flows may be materially adversely affected.

In addition, the Issuer's financial performance may depend on the continued availability, reliability, and cooperation of such external trading partners. There can be no assurance that the relevant trading arrangements will remain in place on the same terms, or at all, throughout the lifetime of the Issuer's BESS Projects. External trading partners may terminate, fail to renew, renegotiate or materially change the terms of their cooperation with the Issuer, including strategic, regulatory, technical, financial or market-related considerations. If the Issuer is unable to replace such partners on comparable terms or develop equivalent internal trading and optimisation capabilities in a timely manner, this may reduce the economic returns generated by the BESS portfolio and materially adversely affect the Issuer's ability to meet its obligations under the Notes.

Co-location and Grid Connection Risk

The Issuer's BESS Projects will be developed as co-located assets together with renewable energy generation facilities operated by affiliated project companies. In such cases, the economic performance of the BESS Projects may be adversely affected by shared infrastructure arrangements, including grid connection costs, technical limitations and capacity allocation mechanisms. The BESS Projects may bear a portion of connection, maintenance or upgrade costs related to the shared grid infrastructure, which could reduce the profitability and competitiveness of the BESS Projects operations compared to standalone storage projects. In addition, any operational constraints, outages or underperformance of the co-located renewable energy assets may negatively affect the efficiency, revenues and overall economics of the BESS Projects.

Related-Party and Intercompany Agreement Risk

The Issuer has entered and may enter in the future into various operational, commercial and infrastructure-sharing agreements with affiliated entities, including renewable energy project companies and other entities within the Shareholder's group. Such arrangements may include shared services, land use, grid connection access, energy supply, balancing arrangements or other intercompany transactions. There can be no assurance that all such agreements are concluded fully on arm's length or market terms. Any unfavourable terms, conflicts of interest, amendments, disputes or termination of these arrangements could adversely affect the Issuer's operational flexibility, cost structure, profitability and cash flows. The Issuer may amend the existing arrangements without consent or involvement of the Noteholders.

Taxation and legal structure risks may adversely affect the Issuer's financial efficiency

The Issuer is also subject to the European Green Deal which acknowledges the crucial role of taxation in the transition towards a greener and more sustainable European growth and the need to better align EU taxation systems with EU climate objectives. Well-designed tax reforms may boost economic growth, help reduce GHG emissions by ensuring an effective carbon pricing and contribute to a fair transition.

In the field of taxation, the European Green Deal includes ongoing and potential future revisions to the Energy Taxation Directive (2003/96/EC) ("ETD"). Such revisions may introduce changes to tax structures based on the energy content and environmental performance of fuels and electricity, broaden the taxable base by including additional products within scope and remove or reduce certain existing exemptions and reductions. In addition, the European Union continues to review and amend the Carbon Border Adjustment Mechanism ("CBAM") framework and related environmental and energy taxation policies. Such regulatory developments may result in the introduction of new taxes, amendments to existing tax regimes or increased compliance obligations applicable to the Issuer. Any such changes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

During periods of high profitability in the energy industry, there is a potential risk of increased or windfall taxes on energy revenues. This risk has been observed in the past on a global scale and may resurface in the future. In response to escalating energy prices following geopolitical events, in particular Russia's invasion in Ukraine, several European governments imposed in the recent years windfall taxes on energy companies to address excessive profits. There can be no assurance that similar measures will not be introduced, extended or reintroduced in the future.

Changes in EU tax policies or the introduction of windfall taxes could significantly diminish profitability and alter the financial outlook. Material adverse effects may stem from the increased tax burdens, such as new energy taxes or adjustments to current rates, which could raise operating costs and decrease net income. Additionally, the uncertainty surrounding the reform of the ETD and the evolving Carbon Border Adjustment Mechanism creates unpredictability in future tax liabilities, complicating financial planning and valuation of the assets. If windfall taxes are imposed or existing tax regimes become more onerous, the Issuer's cash flows, profitability and ability to distribute returns to Noteholders and investors could be negatively impacted, thereby affecting the overall performance and attractiveness of the investment.

Cybersecurity and data protection risks are limited at the Issuer level but may be material within certain portfolio companies of the Shareholder

If any of the Issuer's critical information or communications systems fail or become unavailable, the Issuer may need to perform certain functions manually, which would temporarily affect the efficiency and effectiveness of its operations. Moreover, the operations of the Issuer and of its technology and communications service providers are vulnerable to damage or interruption from human error, data inconsistency, internet slowdowns or unavailability, natural disasters, power loss, computer viruses, intentional acts of vandalism, breaches of security and similar events.

The extent to which the provision of vital services in the markets where the Issuer operates and plans to operate depends on technology is continually increasing. Consequently, the impact of interruptions of these services on the functioning of society, the economy and national security, in general, is increasingly significant. Due to its geopolitical location, both public and private sector companies in the Baltic region are also at risk of being a target of politically-motivated cyber-attacks. If such attacks occur, the Issuer may experience theft or destruction of data, including commercial, customer and financial information, which could cause commercial detriment to the Issuer and/or damage to its reputation. The policies maintained by the Issuer to protect its data may not be sufficient to prevent its systems from suffering failures or delays that might cause significant data loss or other disruptions to the Issuer's business.

The majority of Issuer's operations are performed remotely via the cloud and other internet-based service solutions. Thus, a large part of the Issuer's business segments is vulnerable to various security breaches, such as financial models and analytic tools, performance analysis data, growth and acquisitions strategies, earning releases and other routine business matters that could affect the reputation of the Issuer.

A system failure, disruption or security breach that causes a delay, interruption or impairment of the Issuer's services and operations, or the unsuccessful integration of ongoing projects, could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

ESG and sustainability risks at the Issuer level

The ownership and operation of the BESS carry an inherent risk of environmental liability, including the risk of government-imposed orders to investigate, remediate or otherwise address environmental contamination, potential penalties for contravention of health, safety and environmental laws, licenses, permits and other approvals, and potential civil liability.

The Issuer is subject to health and safety regulations and environmental regulations in connection with its battery energy storage operations. The Issuer may fail to comply with applicable regulatory requirements, including through failed inspections, non-adherence to current legislative measures, contamination on or migrating from properties it manages or controls, or release of hazardous substances from its operations. Such regulatory non-compliance could result in government-imposed remediation orders, operational restrictions, fines, penalties, or civil liability. Any violations could also result in substantial reputational damage, particularly given that sustainability is an important part of the Issuer's branding. The costs of achieving compliance and the amount of any fines, penalties, or reputational consequences could have a material adverse effect on the Issuer's business, financial condition, results of operations, and the Issuer's ability to meet its obligations under the Notes.

Increasing competition from BESS and renewable market participants

The battery energy storage market is expected to become increasingly competitive in the near future, and the Issuer has reflected a certain level of increasing competition in its projections. However, market saturation may develop faster or to a greater extent than currently anticipated, including as established utilities, energy companies, independent power producers and specialised battery storage operators deploy additional battery storage capacity. Many of these market participants may have substantially greater financial resources, technical expertise, market presence and access to capital than the Issuer, which could enable them to operate profitably at lower return levels or sustain operations during periods of reduced profitability. Higher-than-expected competition or market saturation could reduce price spreads, ancillary services revenues, asset utilisation and overall profitability of the Issuer's BESS Projects. Any such developments could materially adversely affect the Issuer's financial performance, cash flows and ability to service its obligations under the Notes.

Operational risks related to battery storage systems

Battery energy storage operations involve hazardous activities and exposure to operational risks, including fire, explosion, thermal runaway, electrical faults, equipment failure, cyber incidents and damage to grid infrastructure. Hazards, such as lightning, high winds, fire, explosion, collapse and machinery failure, are inherent risks in the Issuer's operations and may occur as a result of inadequate internal processes, technological flaws, human error or external events. These hazards can cause significant injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations. The occurrence of any of these events may subject the Issuer to the investigation, remediation requirements, substantial damages, personal injury and natural resource damages, fines and/or penalties and loss of revenue from suspended operations.

In addition, while the Issuer obtains warranties from vendors and obligates contractors to meet certain performance levels, the proceeds of warranties or performance guarantees may not sufficiently compensate the Issuer for lost revenue, increased expenses and financing costs or liquidated damages payments should the Issuer experience equipment breakdown or non-performance by contractors or vendors.

Damages or losses not covered by contractor warranties or other contractual protections may be covered by insurance. However, such coverage may not be available or sufficient in all circumstances, Certain losses may be (or be considered by insurers to be) outside the scope of applicable insurance policies or be subject to exclusions, limits or insurer disputes. Any uninsured or underinsured losses, including from property damage, business interruption, equipment failure, liability claims or regulatory action, could adversely affect the Issuer's business, financial condition, cash flows and ability to meet its obligations under the Notes.

Regulatory and environmental compliance risk

The Issuer is subject to significant and complex environmental and other regulatory requirements. Failure to comply with the applicable laws and regulations may lead to investigations, fines, penalties, claims, costly corrective works or suspension or shutdown of operations. Any such event could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects and the ability to meets its obligations under the Notes.

Risks of technological disruption

The Issuer's business model and long-term competitiveness may be adversely affected by technological developments in the energy sector, including advancements in alternative energy storage technologies, grid infrastructure, distributed energy solutions and electricity market optimisation systems. Rapid innovation in battery chemistry, energy density, charging capabilities, software optimisation, artificial intelligence-driven energy management or competing storage technologies may reduce the competitiveness, efficiency or commercial attractiveness of the Issuer's existing BESS Projects and operating model.

The energy storage industry is evolving rapidly, and new technologies or market solutions may emerge that offer superior technical performance, lower operating costs, longer asset life or more attractive economics compared to the technologies deployed by the Issuer. In addition, advancements in renewable energy generation, grid balancing technologies, virtual power plants or alternative flexibility solutions could reduce demand for certain services provided by BESS operators.

As a result, the Issuer may be required to make substantial additional investments in technology upgrades, system replacements, software improvements or operational adjustments in order to remain competitive and comply with evolving market requirements. There can be no assurance that such investments will be commercially successful or that the Issuer will be able to adapt its business model effectively to future technological changes, which could materially adversely affect the Issuer's business, financial condition and results of operations.

The loss of one or more key personnel members of the Company could have an adverse effect on its operations

The Issuer's success depends significantly on the expertise, experience and performance of its senior management and key personnel, including specialists in energy trading, battery energy storage operations, project development, grid integration, technology management and regulatory compliance. The Issuer's management team and technical personnel possess specialised industry knowledge and operational experience that may be difficult to replace within a short period of time.

The market for experienced professionals in the energy and energy storage sectors is highly competitive, particularly in areas related to renewable energy, battery technologies, software systems and electricity market optimisation. Financial difficulties, increasing competition for qualified employees or evolving industry trends may adversely affect the Issuer's ability to retain or attract key personnel.

The loss of key management members, technical specialists or other critical employees, or the inability to recruit and retain suitably qualified personnel, could disrupt the Issuer's operations, delay project implementation, impair commercial performance or hinder the Issuer's ability to execute its business strategy effectively. Any such events could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Failure to attract and retain qualified personnel may affect the profitability of the Issuer's operations

The Issuer's employees and technical specialists constitute an important part of its overall operations and business development. Accordingly, it is important for the Issuer to maintain a qualified and experienced team with low employee turnover and sufficient expertise in areas such as energy trading, battery energy storage operations, software systems, engineering, project management and regulatory compliance. To retain and motivate its personnel, the Issuer may implement various remuneration, incentive and employee benefit programmes; however, there can be no assurance that such measures will be sufficient to retain key employees in a competitive labour market.

The energy and renewable infrastructure sectors are characterised by increasing competition for experienced and technically skilled personnel. The Issuer may in the future face difficulties in attracting, training and retaining employees with the qualifications and experience required for the operation and optimisation of BESS Projects and participation in electricity and balancing markets. The onboarding and training of new employees may require substantial time and resources, particularly for specialised technical and operational roles.

Any inability to attract and retain qualified personnel, or a loss of experienced employees resulting in increased employee turnover, could adversely affect the Issuer's operational efficiency, project execution, service quality, compliance capabilities and overall competitiveness. This could in turn have a material adverse effect on the Issuer's reputation, business operations, financial condition and results of operations.

Natural disasters and other business disruption risks

The Company's operations are vulnerable to damage or interruption from various natural disasters and business disruptions, such as fire, flood, power losses, telecommunication failures, terrorist attacks, acts of war, human error, and other events. Any such event could have a material adverse impact on the Company's ability to conduct its business, interrupt operations increase costs, and insurance coverage may be insufficient to compensate losses that may occur. Although the Company maintains business continuity plans and insurance coverage, these may be insufficient, unavailable or ineffective in all circumstances. Any significant disruption, or any uninsured or underinsured loss, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

RISKS RELATED TO THE NOTES

The Issuer may be unable to repay or repurchase the Notes at maturity

The Notes will be secured with the Collateral provided by the Collateral Providers. In case of insolvency proceedings affecting the Issuer and/or the Collateral Providers, the Noteholders will be entitled to recover their investment on the same terms as other secured creditors according to the Applicable Laws, taking into account, that if the Collateral would be enforced, the Noteholders would receive payment of their claims in respect to Notes only to the extent that the enforcement proceeds of the sale of the Collateral are sufficient to pay the costs of enforcement of the Collateral and satisfaction of the fees, costs, damages and claims of the Collateral Agent in accordance with the Terms and Conditions.

Furthermore, the Terms and Conditions provide that all existing and future unsecured loans must be subordinated to the Notes and that Subordination Agreements are concluded in respect to certain loans. However, the subordination arrangements do not restrict Permitted Subordinated Payments, as defined in the Terms and Conditions. Permitted Subordinated Payments include the Issuer's payment obligations in the ordinary course of business (other than payments under Subordinated Loans) to the Shareholder, Shareholder's subsidiaries or Merito Fund in connection with the Issuer's business or any BESS Project, including payments to the Shareholder for technical execution of the BESS Projects and operational expenses incurred by the Shareholder in connection with the operation of the BESS Projects, payments to the Shareholder's subsidiaries under the Material Agreements, management fees payable to Merito Fund in connection with the operation of BESS Projects, provided that such fees do not exceed the amount specified in the Terms and Conditions, and any other payment approved in writing by the Collateral Agent acting on the instructions of the Majority Noteholders. As a result, notwithstanding the subordination of unsecured loans, the Issuer may continue to make certain payments to related parties and affiliated entities in the ordinary course of business. Such payments may reduce the cash available to the Issuer for debt service, repayment or refinancing of the Notes.

Based on a freedom of contract principle, a party may agree to subordinate certain claims owed to it by a debtor to the claims of another creditor of the debtor, which is respectively considered as senior creditor, and contractual subordination arrangements are fairly common in financing transactions in Latvia; however, subordination is not expressly regulated under Latvian law and Latvian insolvency law prescribes a mandatory order of distributions among creditor classes. Therefore, to the extent that, following the enforcement of the Collateral and application of the enforcement proceeds, any amounts remain outstanding under the Notes, the Noteholders would hold an unsecured residual claims against the Issuer or the Guarantor. In such circumstances, i.e. where the Noteholders participate in the Issuer's or the Guarantor's insolvency as unsecured creditors in respect of such residual claim, there is a material risk that a contractual subordination of shareholder (or other unsecured) loans may not be given effect by an insolvency administrator and that such subordinated claims could be treated *pari passu* with other unsecured claims (or otherwise in accordance with the statutory waterfall), notwithstanding any intercreditor or subordination undertakings. In particular, once the Noteholders' remaining claim is no longer effectively covered by the Collateral and ranks only as an unsecured claim, the insolvency administrator may disregard payment-blocking provisions and make distributions to unsecured creditors *pro rata* within the relevant statutory tier. In that scenario, only post-distribution turnover or separate contractual remedies may remain available between creditors and may be difficult to enforce in the insolvency estate. As a result, if the Noteholders are left with an unsecured residual claim after enforcement of the Collateral, there is a risk that subordination will be disregarded (in whole or in part) in the Issuer's insolvency, with subordinated shareholder loans sharing in recoveries on the same basis as other unsecured creditors (and only after satisfaction of insolvency costs and other statutory priority claims).

Notes liquidity risk

Neither the Issuer nor any other person guarantees the minimum liquidity of the Notes. Thus, the Investors should consider the fact that they may not be able to sell or may face difficulties in selling their Notes on the secondary market at a fair market value or at all.

Trustee risk

A Trustee will be appointed to act on behalf of the Noteholders and to represent their collective interests in accordance with the Trustee Agreement and these Terms and Conditions. The Trustee's role, powers, duties and liability will be limited to those expressly set out in the Trustee Agreement, these Terms and Conditions and Applicable Law. The Trustee has not reviewed, verified or approved any marketing materials or other Investor communications relating to the Notes, except for this Offering Memorandum and the Collateral Agreements. Accordingly, Noteholders should not rely on the Trustee as having conducted any independent due diligence or verification of the Issuer, the Shareholder, the Notes, or any information made available to Investors, unless expressly stated otherwise. While the Trustee is expected to act with due care and diligence within the scope of its mandate, it may only take certain enforcement or protective actions upon the occurrence of specific events and when directed by a defined Majority Noteholders and subject to being indemnified or secured to its satisfaction. Consequently, there may be delays or limitations in the ability of Noteholders to enforce their rights individually or through the Trustee.

Furthermore, the Trustee does not owe any fiduciary or other duties to individual Noteholders beyond those expressly set out in the Trustee Agreement and Applicable Law. Noteholders are exposed to the risk that the Trustee's powers and responsibilities may not fully align with each Noteholder's individual interests or timing expectations.

As at the date of this Offering Memorandum, the Trustee and the Collateral Agent is the same legal entity. While the Terms and Conditions provide that Noteholders acknowledge that this dual appointment does not constitute a conflict of interest, Noteholders should be aware that situations may arise in which the interests or obligations of the Trustee and the Collateral Agent diverge or are in tension. In particular, the Trustee is required to act in the collective interests of the Noteholders in all matters relating to the Notes (save for the Guarantee and Collateral), while the Collateral Agent is separately mandated to act in relation to the Collateral and the Guarantee and is entitled to prioritise its own fees, costs, expenses, damages and claims from enforcement proceeds ahead of the Noteholders' claims. In an enforcement or distressed scenario, the same entity may be required simultaneously to determine whether an Event of Default exists (in its capacity as Trustee), to receive and act upon an Instruction to enforce the Collateral (in its capacity as Collateral Agent), and to withhold from enforcement proceeds amounts in satisfaction of its own claims in both capacities. There can be no assurance that these concurrent roles will not give rise to actual or perceived conflicts of interest, operational delays, or constraints on the entity's ability to act impartially and expeditiously in all capacities. If such conflicts materialise, the Noteholders may experience delays in enforcement or limitations in the protection of their interests, and may be required to appoint a separate person to one or both roles, which process itself may involve additional cost, administrative complexity and delay.

Listing failure or delisting risk

After registration of the Notes the Issuer plans to request admission to trading of the Notes on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga within 12 (twelve) months from the Issue Date. There is a risk that Nasdaq Riga will not accept the Notes to be admitted to trading on First North or order that the Notes are delisted from First North before maturity after admission to trading has taken place due to changes in legal acts, including Nasdaq Riga regulations, or recommendations by the Bank of Latvia.

Notes price risk

The development of market prices of the Notes depends on various factors, such as changes of interest rates, central bank policies, EURIBOR fluctuations, overall economic development or demand for the Notes. There is a risk that EURIBOR may increase in the future, which could adversely affect the cost of financing and the market value of the Notes.

Neither the Issuer, nor any other person undertakes to maintain a certain price level of the Notes. The Potential Investors are thus exposed to the risk of unfavourable price development of their Notes if they sell the Notes prior to final maturity. The sale price may be lower than the Nominal Value and may also be lower than the price paid by the Potential Investor for the Notes. If a Potential Investor decides to hold the Notes until maturity, the Notes will be redeemed at their Nominal Value, provided that the Issuer is able to meet its payment obligations under the Notes at that time.

The Issuer may choose to repurchase or redeem the Notes when prevailing interest rates are relatively low, including in open market purchases

According to the Terms and Conditions, the Notes may be redeemed in full or partially prematurely at the initiative of the Issuer in the circumstances and at the prices specified therein. If the early redemption right is exercised by the Issuer, the rate of return from the investment into the Notes may be lower than initially expected, as the Potential Investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Notes being redeemed. The Issuer is more likely to exercise any optional redemption right of the Notes when prevailing market interest rates, credit spreads or alternative financing costs are relatively low, or where the Issuer can refinance the Notes on more favourable terms. In such circumstances, Potential Investors may be exposed to reinvestment risk and may lose the benefit of holding Notes with an interest rate that is higher than the then-prevailing market rate for comparable investments. The Issuer's redemption right may also adversely impact the Potential Investor's ability to sell such Notes. For example, the market price and liquidity of the Notes may decline if investors expect that the Notes will be redeemed before maturity, or if the remaining outstanding amount of the Notes is reduced as a result of partial redemptions.

Changes in tax rates may impact net payments related to the Notes

Tax rates and tax payment procedure applicable at the moment of purchase of the Notes to the tax residents, non-residents of Latvia and residents of other countries may change. The Issuer will not compensate the increase in taxes to Investors, therefore Investors may receive smaller net payments related to the Notes.

Decisions of Majority Noteholders may affect individual rights of the Noteholders

The Terms and Conditions provide that certain decisions may be taken by the Majority Noteholders, and such decisions are binding on all Noteholders, including Noteholders who voted against the relevant decision, abstained from voting, did not participate in the voting or acquired Notes after the relevant decision was made. Thus, a Potential Investor is subject to the risk of being outvoted by a majority resolution of the other Noteholders. As such, certain rights of such Potential Investor against the Issuer may be amended, reduced, waived, postponed or otherwise modified, or even cancelled, without its consent. This may include, subject to the limitations set out in the Terms and Conditions and Applicable Law, amendments to payment terms, covenants, Events of Default, enforcement instructions, waivers of breaches, releases or amendments of Collateral or the Guarantee, or other changes that may materially affect the value, ranking, enforcement prospects or expected return of the Notes.

The interests of Majority Noteholders may differ from the interests of individual Noteholders. Majority Noteholders may have different investment horizons, liquidity needs, risk appetite, exposure to the Company or other commercial relationships with the Company. Certain Noteholders may also have existing investments in Merito Fund which, alongside the management of the Issuer and the Shareholder, is economically linked to BESS Projects. Such Noteholders may therefore have additional economic interests outside the Notes which may influence their preferred enforcement, waiver, amendment or restructuring strategy. However, to the extent any Notes are held by the Issuer, its direct or indirect shareholders or Related Parties, such Notes are not eligible to participate in voting and are disregarded for quorum, majority and participation purposes under the Terms and Conditions. Consequently, a decision supported by the required majority may not correspond to the preferences or best interests of a particular individual Noteholder. As a result, individual Noteholders may have limited ability to prevent or challenge decisions validly adopted in accordance with the Terms and Conditions, even where such decisions adversely affect their individual economic position or enforcement strategy.

Some Noteholders may have more preferential terms than others

While the Issuer will try to maintain the proportional reduction principle to the extent possible in final allocation of the Notes, in case the total number of the Notes subscribed for is higher than the number of the Notes available, the Issuer has a right to refuse all or part of the subscribed Notes to any Potential Investor due to perceived risks that might not be directly measurable and subjective, thus, the proportionality principle might not be observed, and Potential Investors may receive fewer Notes than they subscribed for or no Notes at all. In particular, the Issuer may give priority in the allocation of the Notes to investors who have already invested in Merito Fund which is legally separate from the Issuer, but economically linked to BESS Projects, including because the BESS infrastructure is expected to be developed on land plots owned, held or otherwise made available by such fund or its related entities. As a result, such existing fund investors may be given preferential access to subscribe for the Notes compared to other Potential Investors.

Additionally, the Issuer has the right to sell the Notes at a price lower than their Nominal Value to selected Noteholders and/or enter into agreements that may add additional rights to selected Noteholders if the Issuer perceives them as especially important for the Notes issue due to the size of their investment, strategic relevance, ability to support successful placement of the Notes, market reputation, sector knowledge, or added experience. Such strategic relevance may include an existing economic exposure to, or commercial interest in, the wider sustainability fund structure, land plots, development arrangements or other assets or arrangements linked to BESS Projects. Such arrangements may include, for example, discounted issue prices, fee arrangements, side letters, information rights, consultation rights, participation rights in future financing rounds or other arrangements not made available to all Noteholders. This may result in a situation where some Noteholders might gain preferential terms for investment into the Notes or additional rights or benefits compared to than the rest of the Noteholders. Consequently, different Noteholders may have different effective yields, economic exposure, access to information or influence over certain matters relating to the Issuer or the Notes, even though they hold Notes of the same issue. Existing investors in Merito Fund may also have interests which are not fully aligned with those of other Noteholders, including interests related to the performance, valuation, financing, use or development of the land plots or other assets held outside the Company but economically connected with BESS Projects. This may adversely affect the relative position of other Noteholders and may create actual or perceived conflicts of interest between different groups of Noteholders.

RISKS RELATED TO THE COLLATERAL, THE GUARANTEE AND THE COLLATERAL AGENT

Risks associated with the Collateral Agent

The Noteholders are represented by the Collateral Agent in all matters relating to the Collateral and the Guarantee. There is a risk that the Collateral Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, enforcing or taking other necessary actions in relation to the Collateral or the Guarantee. Subject to the terms of the Collateral Agent Agreement, the Collateral Agent is entitled to enter into agreements for the use of services of a third-party and appoint third-party representatives in the course of performance of its tasks and acts as stipulated in the Terms and Conditions or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Collateral or the Guarantee, or for the purpose of settling, among others, the Noteholders rights to the Collateral or arising from the Guarantee. Further the Collateral Agent’s prior written consent is needed to any amendment to the Terms and Conditions which (i) relates to the Collateral Agent and (ii) would materially and adversely affect the Collateral Agent’s right, protections, indemnities or limitations of liability in its capacity as collateral agent under these Terms and Conditions, the Collateral Agreement, the Guarantee or the Collateral Agent Agreement. However, such consent not to be unreasonably withheld or delayed and must be provided as soon as possible but not later than within 10 business days after the Issuer has submitted to the Collateral Agent the relevant request, provided that, where the proposed amendment raises issues of material legal, regulatory or structural complexity, the Collateral Agent shall notify the Issuer within such 10 business day period that additional time is required, and the consent period shall be automatically extended to 20 business days from the date of the Issuer's original request (if the consent is not provided within this 10 business days’ time period or, where applicable, the extended 20 business day period it shall be deemed that the Collateral Agent has consented to relevant amendments). Requirement for the Collateral Agent’s prior consent does not apply to an amendment effected by Noteholders in accordance with these Terms and Conditions.

The Guarantee will be subject to certain limitation on enforcement and may be limited by the Applicable Laws or subject to certain defences that may limit its validity and enforceability

The enforcement of the Guarantee would be subject to certain generally available defences. For the avoidance of doubt, unless expressly stated otherwise in the Terms and Conditions, the Guarantee is unsecured and to rank *pari passu* with other unsubordinated, unsecured obligations of the Guarantor. Enforcement may be conditioned upon satisfaction of procedural requirements (including notices, accelerations, demands and/or waiting periods) and may require Latvian-language filings and other formalities before Latvian courts or authorities.

Enforcement of the Guarantee against the Guarantor may be subject to certain defences available to the Guarantor under the Applicable Law. Such defences may include corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. Further defences may include absence of due authorisation, capacity or corporate benefit, limitation periods, set-off and netting, impairment or release of security, amendments or waivers granted to the Issuer without the Guarantor's consent, defects in demand (where required), public policy and mandatory creditor-protection rules. Where the instrument is characterized as a suretyship rather than an independent demand guarantee, the Guarantor may also raise defences of the principal debtor. In addition, Latvian insolvency/avoidance rules (including suspect periods and claw-back) may cap or unwind the Guarantee. There is a possibility the entire Guarantee may be set aside, in which case the entire liability may be extinguished. If a court decides that the Guarantee was a preference, fraudulent transfer or conveyance and voids the Guarantee, or holds it unenforceable for any other reason, the Noteholders may cease to have any claim in respect of the Guarantor and would be a creditor solely of the Issuer.

Risk associated with the value of the Collateral

If the Issuer fails to make the Coupon and/or Nominal Value payments in a timely manner, the Collateral Agent, acting in the interest of the Noteholders upon receipt of the Instruction from the Majority Noteholders and subject to other preconditions will initiate the takeover the possession and realization of the Collateral. There is a risk that there may be no legal and practical possibility to take over the possession or sell the Collateral in full or in part, in particular where the Collateral consists of shares. In addition, there can be no assurance that any buyer will be interested in buying the Collateral on acceptable terms or at all. Furthermore, the validity and, hence, value of collateral over Issuer's moveable assets would be adversely affected if BESS was reclassified into immovable property or ancillary to immovable property, as further describe in the risk factor "BESS reclassification as immovable property". Considering that the Collateral Agent does not supervise the quality of the Collateral during the duration of Issuer's obligations and the Collateral Agent has no liability to the Noteholders in this regard, there is a risk that the Collateral may be taken over but the realization of the Collateral may be insufficient to satisfy the Noteholders' claims.

The value of movable assets pledged as a Collateral (including battery modules, inverters, transformers, control systems, equipment and related components) is subject to rapid change due to technological obsolescence, physical degradation, wear and tear, remaining useful life, warranty status, performance limitations, safety incidents, availability of spare parts, manufacturer support, changes in grid connection or technical standards, and market conditions for used energy storage equipment. The realisable value of such assets upon enforcement may be materially lower than book value or replacement cost and may also be materially lower than any valuation obtained before or during the term of the Notes.

Further, BESS constitutes complex, site-specific infrastructure. In an enforcement scenario, there may be a limited market for the movable assets pledged as a Collateral, and the Collateral Agent may face significant practical and logistical difficulties in disposing of the movable assets as a Collateral, including requirements to decommission, disconnect, dismantle, store, secure, insure, preserve, transport, recommission or otherwise operate or maintain the assets pending sale, or otherwise deal with hazardous battery materials. The value of the Collateral may also depend on whether the assets can be sold as part of an operating project or only as individual components, and whether any required permits, grid connection rights, land use rights, lease rights, warranties, service agreements, software licences, data access, insurance arrangements or other project-related rights can be transferred to a purchaser or otherwise preserved during enforcement.

The absence of a liquid secondary market for battery storage equipment may result in enforcement proceeds being substantially less than anticipated. Forced sale conditions, enforcement costs, time delays, deterioration of assets during enforcement, limited bidder participation, information asymmetry, and the specialist nature of the Collateral may further depress the sale price or prevent a sale on commercially acceptable terms.

Lithium-ion battery assets are subject to waste and hazardous materials regulations. Upon enforcement, the Collateral Agent and any purchaser of the pledged assets may be required to assume significant decommissioning, recycling, transportation, storage, fire safety, environmental protection, waste management, permitting, reporting, clean-up, or environmental remediation obligations, which may reduce net enforcement proceeds. If the Collateral cannot be sold as a functioning BESS project, the costs of safe dismantling, disposal, recycling or remediation may be significant and could materially reduce, or in an adverse scenario exceed, the gross value realised from the Collateral.

Risk associated with Parallel Debt

The security interests in the Collateral and the Guarantee that will secure the obligations of the Issuer under the Notes will not be granted directly to the Noteholders but will be created and perfected (where applicable) in favour of the Collateral Agent. Thus, the Noteholders will not have any independent power to enforce, or have recourse to, the Collateral Agreement or the Guarantee or to exercise any rights or powers arising under the Collateral Agreement or the Guarantee. Only the Collateral Agent will be entitled to enforce the Collateral or the Guarantee. As a result of these restrictions, the Noteholders will have limited remedies and recourse against the Issuer in the Event of Default. In particular, none of the Noteholders will have a direct benefit under the Collateral or the Guarantee, and none of the Noteholders will have the status of a secured creditor in the event of any Insolvency Proceedings of the Issuer or the Shareholder. From a purely legal perspective, the Noteholders will qualify as unsecured creditors of the Issuer and the Guarantor, and the Noteholders' claims under the Notes vis-à-vis the Issuer directly and under the Guarantee vis-à-vis the Shareholder directly will be unsecured obligations of the Issuer or the Shareholder (as applicable).

The Parallel Debt creates contractual security for the Noteholders' claims under the Notes because the Collateral Agent has an obligation pursuant to Clause 23.4 (Application of the Proceeds from Enforcement of the Collateral or the Guarantee) to apply the enforcement proceeds received in enforcement of the Collateral or the Guarantee securing the Parallel Debt in and towards satisfaction of the Noteholders' claims.

Parallel Debt is a contractual instrument designed to allow the Collateral Agent to take, perfect (where applicable), maintain, administer and enforce the Collateral or the Guarantee in its own name and right but for the benefit of the Noteholders. The concept of the Parallel Debt is not explicitly recognized under the Latvian law and its legality, validity and enforceability has not been tested in the Latvian courts. If the Parallel Debt arrangements are declared to be illegal, invalid or unenforceable by Latvian court, that will result in the Collateral or the Guarantee not being valid and enforceable or not being duly perfected in accordance with the applicable legal requirements. As a consequence, the Noteholder's claims under the Notes or the Guarantee would rank pari passu with the other unsecured obligations of the Issuer or the Guarantor (as applicable) and the Noteholders will not have a preferential right to the enforcement proceeds of the Collateral or the Guarantee.

The limitations of the enforcement of the Collateral or the Guarantee

Even when the Collateral or the Guarantee is enforceable, the enforcement is subject to the procedures and limitations set out in the Collateral Agent Agreement, the Guarantee, the Terms and Conditions, and the Collateral Agreement For the Collateral Agent to satisfy the Noteholders' claims, the enforcement procedure will be structured in the order as set out in Section 22.3 (Enforcement of the Collateral and the Guarantee) of the Terms and Conditions. There can be no assurance as to the ability of the Noteholders to instruct the Collateral Agent to initiate any enforcement procedures. In particular, enforcement generally requires thresholds for "Majority Noteholders", compliance with notice and waiting periods, delivery of indemnities, security and/or funding of costs to the Collateral Agent, and the Collateral Agent retains discretions and protections that may limit or delay action. Failure to meet any procedural precondition may prevent or postpone enforcement. Enforcement proceeds will first be applied to pay enforcement costs, taxes and the Trustee's and the Collateral Agent's fees/expenses, which may materially reduce amounts available to Noteholders.

Moreover, pursuant to the Applicable Laws, any enforcement of the Collateral over shares will be subject to rights of first refusal (in Latvian: *pirmpirkuma tiesības*) of the shareholders, other than respective Collateral Provider. As a result, share-pledge enforcement may be limited to adversarial proceedings or auction processes and subject to shareholder rights of first refusal at formula or agreed prices, which may depress proceeds and prolong timelines.

Furthermore, any enforcement of the Collateral or the Guarantee may be delayed due to the provisions of the Collateral Agent Agreement, the Terms and Conditions and agreements with other secured creditors. In particular, under the agreement with Luminor Bank AS (registered in Estonia under registration number 11315936), Latvian branch (registration number 40203154352), if Luminor Bank AS enforces its mortgage over the relevant land plot, the Issuer may be required to restore the land plot to their previous condition by de-installing and removing the BESS and deregistering the Building Rights and servitudes from the Land Book. Such deregistration is conditional upon the

Issuer having completed the de-installation and removal of the BESS from the land plot.

If enforcement necessitates temporary continuation of BESS operations to preserve value, additional working capital may be required and may not be available. Accordingly, there is no assurance that enforcement will occur within expected timeframes or that net recoveries will be sufficient to satisfy the claims under the Notes in full. Any such delay, limitation or shortfall may have a material adverse effect on the Noteholders' ability to recover amounts due under the Notes.

Risks related to amendments to Applicable Laws

There is a general risk that the enforceability of the Collateral or the Guarantee may be impacted by any amendments in the Applicable Laws.

The rights of the Noteholders depend on the Collateral Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Note, each of the Noteholders will accept the appointment of the Collateral Agent as the collateral agent and representative of the Noteholders, to represent and act for such creditors, i.e., Noteholders, in relation to the Collateral or the Guarantee.

Only the Collateral Agent is entitled to exercise the rights under the Collateral or the Guarantee and enforce the same. Any failure by the Collateral Agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Noteholders due to, for example, inability to enforce the Collateral or the Guarantee and/or receive any or all amounts payable from the Collateral or the Guarantee in a timely and effective manner.

The Majority Noteholders may pass a decision to replace the Collateral Agent at any time. At any time, the Collateral Agent may resign from its role as the Collateral Agent by giving notice to the Issuer, the Noteholders and the Trustee. In such case the Majority Noteholders shall appoint a successor Collateral Agent, and the resignation of the retiring Collateral Agent takes effect only after execution of all necessary documentation to effectively substitute him, including registration of the necessary amendments to, or novations of, Collateral with the Public Register. Furthermore, the Collateral Agent's liability to the Noteholders is limited in accordance with Clause 22.5.3 (Liability of the Collateral Agent). As of the date of this Offering Memorandum the Collateral Agent's professional liability is insured with insurance company If P & C Insurance AS Latvijas filiāle (registration number: 40103201449).

BESS reclassification as immovable property

Under Latvian law, a commercial pledge over movable assets is a generally accepted and enforceable security instrument. However, the regulatory framework applicable to BESS in Latvia is still developing and does not comprehensively regulate all stages of BESS development, installation and operation, including whether a BESS retains its classification as a movable asset following its installation and connection to the electricity grid.

Based on established market practice, BESS are typically treated in construction and project documentation as equipment, while related infrastructure, such as access roads, engineering networks and grid connection facilities, is classified as engineering structures. This approach supports the argument that BESS could be treated as movable property. However, there can be no assurance that this position would be upheld in all circumstances.

There remains a risk that, following installation and connection to the grid, BESS could be reclassified as an accessory to immovable asset (i.e. as a part of engineering structure, or otherwise as part of immovable property of which they are installed). This may affect the scope or enforceability of the security, which on the Issue Date is based solely on movable asset classification. If the BESS or any material part of it were treated as part of the land, an engineering structure, an accessory to an immovable asset or otherwise as immovable property, the commercial pledge over movable assets may not create, perfect or preserve security over such asset in the manner originally intended. In such circumstances, the Noteholders may not benefit from effective first-ranking security over the BESS or may be required to rely on additional, amended or replacement security arrangements, which may be delayed, unavailable, costly or subject to third-party consents. Further, at the date of this Offering Memorandum, the relevant immovable property is mortgaged in favour of third party creditors, being licensed credit institutions established in Latvia. If BESS or any material part thereof were treated as accessory to the land or otherwise as immoveable property, it may be considered to be subject to such existing mortgage.

To effectively mitigate this risk, the Issuer has entered into agreements with the following secured creditors of the respective Related Party developing solar parks: (i) Signet Bank; (ii) Attīstības finanšu institūcija Altum, Akciju sabiedrība (registration number 50103744891); (iii) Luminor Bank AS (registered in Estonia under registration number 11315936), Latvian branch (registration number 40203154352); (iv) Citadele banka, Akciju sabiedrība (registration number 40103303559); and (v) Swedbank, AS (registration number 40003074764). These agreements provide, among others, for an undertaking of the secured creditors to consent to registering Building Rights and servitudes over the relevant land plots for the benefit of the Issuer with the Land Book and the acknowledgment and segregation of the Issuer's assets (BESS) from the land plots on which they are installed. The agreement of Swedbank AS to register Building Rights and servitudes over the relevant land plots is subject to its further approval.

These agreements materially reduce the risk of competing enforcement action by existing secured creditors and to strengthen segregation of the BESS assets from the land plots mortgaged in favour of secured creditors. In particular, the agreed registration of Building Rights for the benefit of the Issuer is expected to provide a clearer legal basis for the Issuer's rights to install, maintain, operate and, where necessary, remove the BESS assets from the relevant land plots. Although these contractual arrangements significantly mitigate the risks described above, they remain subject to the general risks of counterparty performance, amendment and termination, and do not constitute a final legal determination that the BESS is movable property as a matter of Latvian law, including in the context of insolvency scenario of the Issuer or the respective Related Party. Accordingly, whilst they reduce the practical risk of competing enforcement action by existing mortgage creditors, they do not entirely eliminate the legal classification risk described above.

In addition, the Issuer has undertaken to establish and register in its name the Building Rights and related servitudes in respect of land plots representing at least 70% of the aggregate planned installed capacity of the BESS Projects within 6 months after the Issue Date, and to register mortgages over such Building Rights securing the Notes, within 7 months after the Issue Date. If the Building Rights are successfully registered, as per agreements with the secured creditors, and mortgages over such Building Rights are duly registered, the reclassification risk would be substantially eliminated. However, pending such registration, the Noteholders remain exposed to the reclassification risk described above. There can be no assurance the relevant Building Rights and mortgages will be established and registered within the required timeframe or at all. Delays may arise due to, among others, notarial and Land Book capacity, the co-operation of landowners in the course of the registration process or secured creditors or the relevant Related Parties, the fulfilment of prior conditions under construction or land-use permits, or unforeseen regulatory or legal impediments. If the Building Rights and mortgages are not established within the required period, or if the existing commercial pledge is found to be ineffective during the interim period for the reasons described above, the Noteholders may be unsecured or inadequately secured creditors with respect to the BESS for an extended period. This could have a material adverse effect on the recovery available to Noteholders in an enforcement or insolvency scenario. To mitigate this risk, the agreements concluded with the above-mentioned credit institutions provide that the Issuer has to de-install and remove the BESS from the relevant land plots in circumstances where this risk may materialise.

Pursuant to the Terms and Conditions, a failure by the Issuer to comply with its undertaking to establish the Building Rights and register the related mortgages within the specified deadlines does not constitute an Event of Default. Instead, the Margin applicable to the Notes will increase by 0.50 percentage points with effect from the first day of the next Base Rate Period. Such increased Margin will apply until the first day of the Base Rate Period immediately following the date on which the relevant breach is remedied. Accordingly, if the Issuer fails to establish and register the Building Rights and related servitudes in respect of land plots representing at least 70% of the aggregate planned installed capacity of the BESS Projects within 6 months after the Issue Date, or fails to register mortgages over such Building Rights within 7 months after the Issue Date, the Noteholders will not be entitled to accelerate the Notes or exercise enforcement rights arising from an Event of Default solely on that basis. However, pursuant to the Terms and Conditions, the Margin applicable to the Notes will be increased by 0.50% with effect from the first day of the Base Rate Period immediately following such breach. Such increased Margin shall apply until the first day of the Base Rate Period immediately following the date on which the relevant breach is remedied, after which the Margin will revert to the initial Margin.

REPRESENTATIONS AND WARRANTIES, RESPONSIBILITY STATEMENT

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

Words and expressions defined in the Terms and Conditions of the Notes below or elsewhere in the Offering Memorandum have the same meanings in this section.

The Issuer shall, in accordance with the Terms and Conditions, issue the Notes and perform the obligations arising from the Notes to the Noteholders. The Issuer shall be liable to the Noteholders for due and complete fulfilment of its obligations under the Notes in accordance with, and subject to the limitations set out in, the Terms and Conditions and Applicable Law.

The Issuer represents and warrants to the Noteholders, the Trustee and the Collateral Agent that:

(a) the Issuer, the Collateral Providers and the Guarantor are duly incorporated and validly existing as legal entities in their jurisdiction of incorporation, and operating under the laws of jurisdiction of their incorporation in each case in all material respects, all the Issuer's obligations assumed under the Terms and Conditions and relevant Collateral Agreement, when applicable, are valid and legally binding on the Issuer and performance of these obligations is not contrary to Applicable Law, the Issuer's constitutional documents or any agreement concluded by the Issuer in any material respect;

(b) without prejudice to the risks described under Risk Factors in connection with Collateral and Guarantee, to the best of the Issuer's knowledge, having made reasonable enquiries, the Issuer is not aware of any circumstances which could cause the obligations of the Collateral Providers and Guarantor under the relevant Collateral Agreement and the Guarantee to be invalid, non-binding on the relevant Collateral Provider or the Guarantor or which would cause the performance of such obligations to contravene the Applicable Law, the relevant Collateral Provider's or the Guarantor's constitutional documents, or any agreement concluded by the relevant Collateral Provider or the Guarantor, in any material respect;

(c) the Issuer has all the rights and sufficient authorisations to issue the Notes and fulfil obligations arising from the Notes and relevant Collateral Agreement, when applicable;

(d) to the best of the Issuer's knowledge, having made reasonable enquiries, the Collateral Provider and the Guarantor shall have all the rights and sufficient authorizations to provide the relevant Collateral and the Guarantee, and to register such Collateral in the relevant registries;

(e) the Issuer has performed all the formalities required for issuing the Notes and for the fulfilment of other obligations of the Issuer under the Notes;

(f) to the best of the Issuer's knowledge, having made reasonable enquiries, the Collateral Provider and the Guarantor shall perform all the formalities required for providing relevant Collateral and the Guarantee and fulfil other obligations under relevant Collateral and the Guarantee within the time periods set out therein;

(g) all information that is provided by the Issuer to the Noteholders in the Offering Memorandum is true, accurate and complete and not misleading in any respect;

(h) to the best of the Issuer's knowledge, having made reasonable enquiries, the Collateral Provider and the Guarantor is solvent, able to pay its debts as they fall due, there are no liquidation, insolvency proceedings or similar proceedings pending or initiated against relevant Collateral Provider and the Guarantor;

(i) the Issuer is solvent, able to pay their debts arising from the Notes as they fall due, there are no liquidation, insolvency proceedings or similar proceedings pending or initiated against the Issuer;

(j) there are no material legal or arbitration proceedings pending or initiated against the Issuer, or, to the best of the Issuer's knowledge, having made reasonable enquiries, against relevant Collateral Provider or the Guarantor which may have a material adverse effect on the Issuer's or the Shareholder's financial position or profitability;

(k) there are no criminal proceedings pending or initiated against the Issuer or, to the best of the Issuer's knowledge, having made reasonable enquiries, against the relevant Collateral Provider or the Guarantor;

and

(l) the Issuer shall not, and shall procure that none of its directors, officers, employees or agents, acting on behalf of the Issuer, use the proceeds from the Notes: (i) to fund, finance or facilitate any activities or business of or with any person that is, or is owned or controlled by persons that are, or in any country, region or territory, that, at the time of such funding, financing or facilitating is, or whose government is, the target of Sanctions; or (ii) in any other manner that would result in a violation of Sanctions by any person (including, any person participating in the subscription of the Notes, whether as lender, underwriter, advisor, investor, or otherwise) in each case to the extent such use of proceeds is within the Issuer's knowledge and control.

The Issuer's representations and warranties provided above are valid on the Issue Date and will remain valid until fulfilment of all obligations arising from the Notes.

RESPONSIBILITY STATEMENT

The Issuer, represented by the member of its Management Board, accepts responsibility for the information contained in the Offering Memorandum and declares that the Issuer and its Management Board have taken all reasonable care to ensure that the information contained in the Offering Memorandum is, to the best of the Issuer's knowledge, true, accurate and complete and not misleading in any respect.

On behalf of the Issuer

Māris Plūme

Member of the management board

This document is signed electronically with secure electronic signature containing a time stamp.

TERMS AND CONDITIONS OF THE NOTES

1. DEFINITIONS

In these Terms and Conditions the following expressions have the following meanings:

Accounting Principles:

(a) until 31 December 2026 - Latvian Accounting Standards (Latvian GAAP) in accordance with the Applicable Laws; or

(b) as of 1 January 2027 - the International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

Acquisition: Any transaction or series of related transactions pursuant to which the Company has acquired a participation in the equity capital of, or a control in, a person if that person pursuant to the Accounting Principles has to be consolidated into the Company, or any acquisition or transfer of an operating division or business unit of any other person to the Company which under the Applicable Law constitutes a transfer of enterprise or an independent part thereof (in the meaning of the Commercial Law of the Republic of Latvia (in Latvian: *Komerclikums*)) or an equivalent legal concept under the relevant Applicable Law.

AML: Anti-money laundering and counter terrorism and proliferation financing.

Applicable Laws: Any applicable law, including without limitation: (a) the regulations of the Bank of Latvia, Nasdaq Riga and Nasdaq CSD; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether state, local, foreign, or EU; and (c) the laws and regulations of the Republic of Latvia and any legal acts in each other country in which the Issuer, any Collateral Provider or the Guarantor operates.

Arranger: Signet Bank.

Auditor: Any auditor from the following list that is licensed to practice in the Republic of Latvia:

(a) Pricewaterhouse Coopers group entity;

(b) Ernst & Young group entity;

(c) KPMG group entity;

(d) Deloitte group entity;

(e) BDO group entity;

(f) Grant Thornton group entity;

(g) AS “RSM Latvia”, registration number: 40003858822;

(h) Baker Tilly Baltics AS, registration number: 40003444833;

(i) SIA POTAPOVIČA un ANDERSONE, registration number 40003612562.

Base Rate: 3M EURIBOR reference rate (%) determined by the Calculation Agent on the Coupon Reset Date and is fixed for the subsequent Base Rate Period. If on any Coupon Reset Date 3M EURIBOR rate is less than 0%, 3M EURIBOR shall mean 0%.

Base Rate Period: The period of time between the First Settlement Date and 30 September 2026, or between the last dates of two consecutive calendar quarters.

BESS:	Battery energy storage system.
BESS Projects:	Battery energy storage systems to be developed and further operated by the Issuer in respect of the following solar parks: Zilupes SES (3.91 MW), located at "Dainas", Rakšiņa, Zaļesjes pagasts, Ludzas novads, LV-5751; (ii) Brenguļu SES (6.99 MW), located at "Ābelītes" and "Saullēkti", Brenguļu pagasts, Valmieras novads, LV-4245; (iii) Inčukalna SES (3.12 MW), located at "Lavitas", Inčukalns, Inčukalna pagasts, Siguldas novads, LV-2141; (iv) Carnikavas SES (12.04 MW), located at "Vidus Nagaiņi" and "Drunkas Nagaiņi", Carnikavas pagasts, Ādažu novads, LV-2163; (v) Kalkūnes SES (13.33 MW), located at "Jaunsaules", Kalkūnes pagasts, Augšdaugavas novads, LV-5449; (vi) Kokneses SES (5.28 MW), located at "Jaunsaules", Kokneses pagasts, Aizkraukles novads, LV-5113; (vii) Cēsu SES (19.79 MW), located at "Purmalas", Priekuļu pagasts, Cēsu novads, LV-4126; and (viii) Valmieras SES (7.09 MW), located at "Mičkēnu nomales", Kauguru pagasts, Valmieras novads, LV-4224.
Building Rights:	The building rights to be established in favour of the Issuer after the date of these Terms and Conditions over the following parts of land units: (a) the part of land unit with cadastral designation 68960020137 8002 (area 0,0549 ha) located in Zaļesje pagasts, Ludzas novads, LV-5751, Latvia, immovable property cadastral No. 68960020137, registered in Zaļesjes pagasts Land Register folio No. 100000579853 (Zilupes SES); (b) the part of land unit with cadastral designation 96460030455 8001 (area 0,0396 ha), located in "Saullēkti", Brenguļu pagasts, Valmieras novads, LV-4245, Latvia, immovable property cadastral No. 96460030189, registered in Brenguļu pagasts Land Register folio No. 100000207152 (Brenguļu SES); (c) the part of land unit with cadastral designation 80640061434 8001 (area 0,0416 ha), located in “Lavitas”, Inčukalna pagasts, Siguldas novads, LV-2141, Latvia, immovable property cadastral No. 80640060395, registered in Inčukalna pagasts Land Register folio No. 100000193343 (Inčukalna SES); (d) the part of land unit with cadastral designation 80520051751 8001 (area 0,0406 ha), located in “Vidus Nagaiņi”, Carnikavas pagasts, Ādažu novads, LV-2163, Latvia, immovable property cadastral No. 80520051751, registered in Carnikavas pagasts Land Register folio No. 100000417641 (Carnikavas SES); (e) the part of land unit with cadastral designation 44600040376 8001 (area 0,0775 ha), located in “Jaunsaules”, Kalkūnes pagasts, Augšdaugavas novads, LV-5449, Latvia, immovable property cadastral No. 44600041488, registered in Kalkūnes pagasts Land Register folio No. 100000624841 (Kalkūnes SES); (f) the part of land unit with cadastral designation 32600100134 8001 (area 0,0350 ha), located in “Jaunsaules”, Kokneses pagasts, Aizkraukles novads, LV-5113, Latvia, immovable property cadastral No. 32600100264, registered in Kokneses pagasts Land Register folio No. 100000700776 (Kokneses SES); (g) the part of land unit with cadastral designation 42720070159 8001 (area 0,0498 ha), located in “Purmalas”, Priekuļu pagasts, Cēsu novads, LV-4126, Latvia, immovable property cadastral No. 42720070159, registered in Priekuļu pagasts Land Register folio No. 467 (Cēsu SES); (h) the part of land unit with cadastral designation 96620010075 8001 (area 0,0341 ha), located in “Mičkēnu nomales”, Kauguru pagasts, Valmieras novads, LV-4224, Latvia, immovable property cadastral No. 96620010085, registered in Kauguru pagasts Land Book folio No. 100000605908 (Valmieras SES).

.

Business Day(s): Business Day(s) is a day when Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.

Calculation Agent: A nationally recognized expert with experience in corporate bonds appointed by the Issuer to determine the amount of quarterly payments to Noteholders and provide payment instructions to the Issuer in accordance with Clause 11.4. (*Calculation Agent*), initially Signet Bank AS, a Latvian credit institution registered in the Register Enterprises of the Republic of Latvia under registration No. 40003043232.

Cash and Cash Equivalents: Cash and cash equivalents according to the most recent Financial Report.

Change of Control: The occurrence of an event or series of events whereby, a person (natural person or legal entity) or group of persons acting in concert (directly or indirectly) acquires the influence (whether by way of ownership of shares, contractual arrangement or otherwise) to:

(a) cast or control the casting of more than 50% (fifty percent) of the maximum number of votes that might be cast at a general meeting of the shareholders of the Issuer; or

(b) appoint or remove or control the appointment or removal of a majority of the management board or supervisory council members or other equivalent officers of the Issuer.

Collateral: Each collateral that is described in Section 21.1 (*Collateral*), which serves as security for the fulfilment of the Issuer's obligations under the Notes in accordance with these Terms and Conditions.

Collateral Agent: A reputable person authorized to act with the Collateral in favour of all the Noteholders in accordance with these Terms and Conditions, the Collateral Agent Agreement and the Collateral Agreements and the Guarantee, who has a professional experience in capital markets transactions and expertise for the fulfilment of the tasks as a collateral agent, initially ZAB Eversheds Sutherland Bitāns SIA, a law firm registered with the Latvian Bar Association and registered with the Register of Enterprises of the Republic of Latvia under registration No. 40203329751 and with a registered address at: Marijas iela 2A, Riga, Latvia, e-mail: birojs@eversheds-sutherland.lv, phone number: +371 67280102. The Collateral Agent's professional liability shall be insured in the course of performance of Collateral Agent functions.

Collateral Agent Agreement: The agreement entered into between the Issuer and the Collateral Agent which stipulates the rights and obligations of the Collateral Agent in relation to the establishment, maintenance, and enforcement of the Collateral, as provided in the Terms and Conditions, for the benefit of the Noteholders, as well as the Collateral Agent's compensation. The Collateral Agent Agreement is available upon request to the Issuer or, if available to it, to the Trustee. For the avoidance of doubt, neither the Collateral Agent nor the Trustee shall be required to provide, release or make available the original Collateral Agent Agreement to any Noteholder or other requesting person.

Collateral Agreements: Agreements concluded or to be concluded on the provision of the Collateral referred to in Section 21.1 (*Collateral*) between the Collateral Agent and the relevant Collateral Provider together with all appendices and amendments that may be concluded from time to time. Copies of the Collateral Agreements are available for inspection upon request to the Issuer or, if available to it, to the Trustee. For the avoidance of doubt, neither the Collateral Agent nor the Trustee shall be required to provide, release or make available the original Collateral Agent Agreement to any Noteholder or other requesting person.

Collateral Providers:	Any of the following entity, as applicable: (i) the Issuer; (or (ii) the Shareholder; or (iii) each and every Shareholder's shareholder; on the date of the Offering Memorandum the Shareholder's shareholders are the following entities: (i) Merito Fund; (ii) SIA "SOLAR ENERGY FUND", 50203147121; (iii) Eco Energy Investments SIA, 40203438153; (iv) SIA LG management, 40203434185.
Communication Channels:	the Issuer's webpage and, if the Notes are admitted to trading on First North, the Nasdaq Riga information system.
Company:	The Issuer and the Subsidiary/ies, if any.
Compliance Certificate:	A certificate, in form and substance reasonably satisfactory to the Trustee, certifying that (i) the Financial Covenants were complied with as of the last day of each Relevant Period, provided that this obligation shall commence only form the date specified in Clause 14(u)); (ii) there was no breach of any other undertakings set forth in Section 14; and (iii) so far as the Issuer is aware, no Event of Default has occurred or is continuing; provided that such Compliance Certificate shall not be delivered separately to the Trustee, unless expressly requested by the Trustee or required under these Terms and Conditions, but the information contained therein shall be included in relevant Financial Report of the Issuer (as per Clause 14(v)) and the Financial Report (containing the respective Compliance Certificate) shall be delivered to the Trustee simultaneously with publishing.
Coupon:	Interest on the Notes calculated in accordance with the Section 11. (*Coupon*).
Coupon Payment Date:	Coupon shall be payable 4 (four) times per year - on 31 March, 30 June, 30 September and 31 December of each year.
Coupon Reset Date:	The second Business Day before the start of the Base Rate Period on which the Calculation Agent determines the Coupon rate for the following Base Rate Period.
Custodian:	Nasdaq CSD participant directly or a licensed credit institution or an investment brokerage company that has a financial securities' custody account with a Nasdaq CSD participant.
De-listing Event:	Occurrence of an event whereby at any time following the listing of the Notes, trading in the Notes on First North is suspended for a period of 15 (fifteen) consecutive Business Days (when First North is at the same time open for trading).
EBITDA:	Net profit of the Company for the Relevant Period calculated according to the most recent Financial Reports: (a) increased by any amount of tax on profits, gains or income paid or payable; (b) increased by any interest expense, fees for financing agreements and lease expenses; (c) before taking into account any exceptional items which are not in line with the ordinary course of business and any non-cash items (such as e.g., asset revaluation or write-down); (d) before taking into account any gains or losses on any foreign exchange gains or losses;

(e) increased by any amount attributable to the amortization, depreciation or depletion of assets;

(f) reduced by any interest and similar financial income; and

(g) reduced by any received dividends or any other similar payments.

Existing Liabilities: Issuer's debt to Signet Bank arising from the Signet Loan Agreement and secured by the Signet Collateral.

On 8 June 2026 the total committed amount under the Existing Liabilities was EUR 13,000,000.00 (thirteen million euro), of which EUR 5,098,928.00 (five million ninety-eight thousand nine hundred twenty-eight euro) remained undrawn.

Equity: The aggregate book value of the Company's total equity (including minority interest, if applicable) plus the Subordinated Debt on consolidated basis according to the most recent Financial Report.

Equity Cure: Has the meaning set forth in Section 15 (*Events of Default*).

Equity Ratio: Ratio of Equity to total assets, calculated according to the most recent Financial Report.

EUR: Euro (the single currency of the Member States of the European Monetary System).

Event of Default: Any event or circumstance set out in Clause 15.6.

Fair Market Value: With respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving any distress of either party, determined in good faith by the management board of the Issuer.

Finance Charges: For the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalized by any Company entity according to the latest Financial Report without taking into account any:

(a) costs related to the Notes issue,

(b) unrealized gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis, or

(c) losses arising on foreign currency revaluations of intercompany balances.

Financial Covenants The financial covenants set out in Clause 13.1 of these Terms and Conditions.

Financial Indebtedness: The outstanding aggregate amount of any financial indebtedness of the Company according to the most recent Financial Report, including:

(a) monies borrowed and debt balances at banks or other financial institutions;

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Notes;

(c) the amount of any liability in respect of any financial lease or hire purchase contract which would, in accordance with the Accounting Principles, be capitalised as an asset and booked as a corresponding liability in the balance sheet;

(d) monies borrowed from any shareholder of the Issuer (unless such borrowings constitute Subordinated Debt);

(e) any amount raised under any other transaction (including any forward purchase or sale agreement) having the commercial effect of a borrowing and treated as a borrowing under the Accounting Principles, except for trade payables incurred in line with the ordinary course of business of the Company and except for land or premise lease as per IFRS 16 Leases standard;

(f) any derivative transaction based on mark-to-market value;

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(h) without double-counting any guarantee or other assurance against financial-loss in respect of a type referred to the above items (a) to (f);

but excluding any Subordinated Debt.

Financial Report:	If there is no Subsidiary: the annual audited financial report of the Issuer or the quarterly unaudited report (as applicable) of the Issuer prepared in accordance with the Accounting Principles. Or If there is Subsidiary/ies: the annual consolidated audited financial report of the Company or the quarterly consolidated unaudited report (as applicable) of the Company prepared in accordance with the Accounting Principles.
Financial Year:	For the Issuer, each year starting on 1 January and ending on 31 December.
First North:	The Multilateral Trading Facility (MTF) First North, operated by Nasdaq Riga.
First Settlement Date (Issue Date):	The date on which interest on the Notes starts to accrue: 30 June 2026.
Force Majeure Event:	Has the meaning set forth in Section 17 (*Force Majeure*).
Guarantee:	Guarantee (in Latvian: *galvojums*) issued by the Guarantor in favour of to the Collateral Agent for the benefit of the Noteholders. A copy of the Guarantee is available upon request to the Issuer or, if available, to the Trustee. For the avoidance of doubt, neither the Collateral Agent nor the Trustee shall be required to provide, release or make available the original Guarantee to any Noteholder or other requesting person.
Guarantor:	The Shareholder.
Insolvency Proceedings:	Insolvency (in Latvian: *maksātnespēja*), legal protection process (in Latvian: *tiesiskās aizsardzības process*) and out-of-court legal protection process (in Latvian: *ārpustiesas tiesiskās aizsardzības process*) pursuant to the Insolvency Law of the Republic of Latvia (in Latvian: *Maksātnespējas likums*), or any similar proceedings seeking a judgment of insolvency or bankruptcy or compromise or distressed reorganization or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights in any jurisdiction.
Interest Coverage Ratio or ICR:	The ratio of EBITDA to Net Finance Charges.
Issuer:	SIA Saules BESS, a company registered with the Register of Enterprises of the Republic of Latvia under registration No. 40203716498 and with a registered

address at: Roberta Hirša iela 1, Riga Latvia.

Issuer's webpage: Issuer's webpage at domain https://saulesbess.com/.

Listing Failure: A situation where the Notes are not admitted to trading and listing on First North within 12 (twelve) months after the Issue Date.

Majority Noteholders: Noteholders eligible to vote who collectively hold in aggregate the Notes with the Nominal Value representing at least 75% (seventy five percent) of the aggregate Nominal Value of the Notes held by Noteholders eligible to vote and who are attending the relevant Noteholders' Meeting or participating in a Procedure in Writing, as applicable.

Notes held by the Issuer, its direct or indirect shareholders or any Related Parties shall be disregarded, and such persons shall not be eligible to vote or be countered for quorum, majority or participation purposes.

Margin: has the meaning set forth in 11.1.3 Clause of these Terms and Conditions.

Material Agreement: Any of the following agreement:

a) Service Agreement No SB 03-01/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-01/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 5 June 2026, concluded between the Issuer and Cēsu SES SIA, registration number: 40203390675, as may be amended, restated, substituted or replaced from time to time;

b) Service Agreement No SB 03-07/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB* 03-07/2026-2 *par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 4 June 2026, concluded between the Issuer and Kokneses SES SIA, registration number: 50203461081, as may be amended, restated, substituted or replaced from time to time;

c) Service Agreement No SB 03-02/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-02/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 4 June 2026, concluded between the Issuer and Kalkūnes SES SIA, registration number: 40103742121, as amended, restated, substituted or replaced from time to time;

d) Service Agreement No SB 03-03/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-03/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 4 June 2026, concluded between the Issuer and Zilupes SES SIA, registration number: 40203241378, as may be amended, restated, substituted or replaced from time to time;

e) Service Agreement No SB 03-06/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-06/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 5 June 2026, concluded between the Issuer and Inčukalna SES SIA, registration number: 40203471891, as may be amended, restated, substituted or replaced from time to time;

f) Service Agreement No SB 03-05/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-05/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 4 June 2026, concluded between the Issuer and Carnikavas SES SIA, registration number: 40203386792, as may be amended, restated, substituted or replaced from time to time;

g) Service Agreement No SB 03-08/2026-2 regarding BESS construction and use (in

Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-08/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 5 June 2026, concluded between the Issuer and Valmieras SES SIA, reģistrācijas numurs: 50203380611, as may be amended, restated, substituted or replaced from time to time;

h) Service Agreement No SB 03-04/2026-2 regarding BESS construction and use (in Latvian: *PAKALPOJUMU LĪGUMS Nr. SB 03-04/2026-2 par elektroenerģiju uzkrājošās bateriju sistēmu izbūvi un ekspluatāciju*), dated 5 June 2026, concluded between the Issuer and Brenguļu SES SIA, reģistrācijas numurs: 40203383870, as may be amended, restated, substituted or replaced from time to time;

i) any agreement or instrument entered into after the date of these Terms and Conditions to which the Issuer is a party and which, during a period in respect of which a Financial Report is prepared, generates, or is reasonably expected to generate, revenues representing at least 10 per cent of the Issuer's revenues or has an aggregate value or exposure representing at least 10 per cent of the Company's Equity, in each case as reported in, or determined by reference to, the relevant Financial Report.

Maturity Date: The date when the Notes shall be repaid in full at their Nominal Value by the Issuer, which is 31.12.2029.

Merito Fund: Merito Sustainable Energy FUND I AIF, alternative investment fund, registration number: 40203438878.

Minimum Settlement Unit: The minimum amount which can be held and traded, which is equal to the Nominal Value.

Nasdaq CSD: Nasdaq CSD SE, registration No. 40003242879, registered address at: Vaļņu iela 1, LV-1050, Riga, the Republic of Latvia.

Nasdaq Riga: AS "Nasdaq Riga", registration No. 40003167049, registered address at: Vaļņu iela 1, LV-1050, Riga, the Republic Latvia.

Net Debt: The aggregate amount of the Financial Indebtedness of the Company minus the sum of Cash and Cash Equivalents of the Group, including marketable securities, as per the most recent Financial Report.

Net Debt Leverage Ratio: Net Debt, according to the most recent Financial Report, divided by (i) EBITDA for the Relevant Period; or (ii) if the Company has performed an Acquisition over the Relevant Period, the Pro-Forma EBITDA for that Relevant Period.

Net Finance Charges: For the Relevant Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for the Relevant Period to the Company and any interest income relating to cash and cash equivalents of the Company.

Nominal Value: Face value of a single Note, which is EUR 1,000.00 (one thousand euro).

Note(s): The debt security issued by the Issuer according to these Terms and Conditions.

Noteholder(s) or **Investor(s):** A private person or legal entity that is an owner of one or more Notes and has a claim against the Issuer as provided in the Terms and Conditions.

Noteholders' Meeting: A meeting among the Noteholders held in accordance with Section 24. (*Noteholders' Meeting and Decisions*).

Outstanding Nominal Value In respect of a Note at any time, its initial Nominal Value reduced by all Principal

Payment Amounts previously paid in respect of such Note.

Parallel Debt: The legal arrangement described in Section 21.2 (*Parallel Debt*).

Permitted Subordinated Payment: Any of the following payments:

(a) any payment obligations of the Issuer to the Shareholder or Merito Fund incurred in the ordinary course of business (other than payments under the Subordinated Loans), including payments to the Shareholder in respect of the technical execution of the BESS Projects and operational expenses incurred by the Shareholder in connection with the operation of BESS Projects;

(b) any payment obligations of the Issuer to the Shareholder's subsidiaries in connection with BESS Projects, including payments arising under or in connection with any Material Agreement;

(c) any obligation to pay management fees to Merito Fund incurred in connection with the operation of BESS Projects provided that the aggregate amount of such fees does not exceed EUR 250,000.00 (two hundred fifty thousand euro) per annum; or.

(d) any payment to which the Collateral Agent (acting on the instructions of the Majority Noteholders) has given its prior written consent.

Permitted Security:

(a) Signet Collaterals;

(b) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by the Issuer or any Subsidiary for the purpose of: (i) hedging any risk to which the Issuer or any Subsidiary is exposed in its ordinary course of trading; or (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes; excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction;

(c) any Security created over any asset of any company which becomes a Subsidiary after the Issue Date, where such Security is created: (i) prior to the date on which the company becomes a Subsidiary, provided that such Security was not created in contemplation of the acquisition of such company; or (ii) simultaneously with the acquisition of such company for the sole purpose of financing the acquisition of such company;

(d) any Security arising under any retention of title or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer or any Subsidiary in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer or any Subsidiary;

(e) any Security arising by operation of law;

(f) any other Security approved by the Majority Noteholders; or

(g) lower ranking Security required for Refinancing arrangements.

Potential Investor(s): A private person or legal entity that has, according to the terms stated in the Terms and Conditions, expressed interest or is planning to purchase for its own account one or more Notes.

Principal Payment Amount has the meaning set forth in Clause 12.1.3.

Procedure in Writing:	A written or electronic procedure for decision making by the Noteholders in accordance with Section 24 (*Noteholders' Meeting and Decisions*).
Prospectus Regulation:	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.
Public Register:	Public register where the Collateral is registered to make the Collateral enforceable, including, the Commercial Pledge Register of the Company Register of the Republic of Latvia (in Latvian: *Komercķīlu reģistrs*) and the Land Book (in Latvian: *Zemesgrāmata).*
Redemption Amount:	has the meaning set forth in Clause 12.1.1 (*Scheduled Amortisation*).
Redemption Date:	has the meaning set forth in Clause 12.1.1 (*Scheduled Amortisation*).
Refinancing:	The process by which Notes issued under this Offering Memorandum are fully replaced, redeemed, refinanced or repaid by way of new notes issuance, loan or similar financing arrangement.
Related Parties (each separately – **Related Party**):	Any of the following person: (a) a shareholder of the Issuer who has a direct decisive influence in the Issuer; (b) a member of the management board or supervisory council of the Issuer; (c) a member of the management board or supervisory council of the shareholder who has a direct decisive influence in the Issuer; (d) a relative of a person referred to in paragraphs (a) or (b) above up to the second degree of kinship, the spouse or brother-in-law or sister-in-law up to the first degree of affinity, or a person with whom he or she has a shared household; (e) a legal person directly or indirectly owned or controlled by, or subject to the direct decisive influence of, any person referred to in paragraphs (a), (b) or (d) above has a direct decisive influence, including without limitation, the following entities: (i) Cēsu SES SIA, registration number: 40203390675; (ii) Kokneses SES SIA, registration number: 50203461081; (iii) Kalkūnes SES SIA, registration number: 40103742121; (iv) Zilupes SES SIA, registration number: 40203241378; (v) Inčukalna SES SIA, registration number: 40203471891; (vi) Carnikavas SES SIA, registration number: 40203386792; (vii) Valmieras SES SIA, reģistrācijas numurs: 50203380611;
Relevant Period:	Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar quarter.
Sanctions:	Economic or financial sanctions, trade embargoes and similar measures imposed, administered or enforced from time to time by the Republic of Latvia, European Union, United Nations, the Office of Foreign Assets Control of the US Department of the Treasury (OFAC) and any competent authority.
Security:	Has the meaning set forth in Section 14 (*Undertakings*).
Settlement Unit Multiple:	Multiple that defines the settlement quantity or nominal must be a multiple of the Minimum Settlement Unit.

Shareholder: Saules Energy SIA, registration number 50203458791.

Signet Bank: Signet Bank AS, a Latvian credit institution registered in the Register Enterprises of the Republic of Latvia under registration No. 40003043232.

Signet Collateral: The following securities established in favour of Signet Bank to secure Issuer's liabilities arising under the Signet Loan Agreement:

(a) Asset pledges and share pledges granted by Issuer or the Collateral Providers in favour of Signet Bank to secure Issuer's liabilities arising under the Signet Loan Agreement;

(b) Financial collateral over the Issuer's bank accounts held with Signet Bank.

Signet Debt: the Issuer's debt to Signet Bank arising from the Signet Loan Agreement and secured by Signet Collaterals.

Signet Loan Agreement: Loan Agreement No. 4.1-11.7/2026/12KR entered into by Signet Bank and Issuer on 3 March 2026, with all amendments thereto.

Subordinated Creditor: Any of the following entities:

(a) the Shareholder;

(b) Merito Fund.

Subordinated Debt: Debt of the Issuer that is subordinated to the Notes.

On the date of the Offering Memorandum the Subordinated Debt is the following:

(a) Subordinated Notes;

(b) obligations arising under existing and future loans granted by the Shareholder, acting as lender, to the Issuer, acting as borrower, subordinated to the Notes in accordance with the Terms and Conditions and the relevant subordination agreement entered into between the Issuer, the Shareholder, and the Collateral Agent.

As of the date of the Offering Memorandum, Subordinated Debt is EUR 1,940,000 (one million nine hundred forty thousand euro).

Subordinated Loan: any present or future loan, credit facility, shareholder loan, intra-group loan, or other similar debt arrangement (whether in the form of a loan agreement or note), entered into between the Issuer or the Shareholder, as applicable, as debtor, and a Subordinated Creditor as creditor, including any amendments, restatements, extensions, renewals or replacements thereof, pursuant to which the claims of such Subordinated Creditor are, or are required to be, subordinated to the claims of the Secured Creditor in accordance with the applicable Subordination Agreement. At the date of these Terms and Conditions, Subordinated Loan comprises all amounts outstanding from time to time under the loan agreement concluded on 14 February 2023 by and between Merito Fund as lender and the Shareholder as borrower, as may be amended, restated or replaced from time to time.

Subordinated Notes: Notes issued by the Issuer in amount of EUR 5,000,000.00 (five million euro), ISIN: LV0000111805, that are, amongst other, subordinated to the Notes, Signet Debt and other Issuer's secured (if any) and unsecured obligations.

Subordination Agreement: each subordination agreement entered into between the Issuer or the Shareholder, as applicable, as the debtor, the Collateral Agent and the relevant

	Subordinated Creditor on or before the Issue Date, pursuant to which the existing and future payment claims of the relevant Subordinated Creditor against the Issuer or the Shareholder, as applicable, arising from the Subordinated Loan are subordinated to the claims of the Noteholders. A copy of the Subordination Agreement is available upon request to the Issuer or, if available, to the Trustee. For the avoidance of doubt, neither the Collateral Agent nor the Trustee shall be required to provide, release or make available the original the Subordination Agreement to any Noteholder or other requesting person.
Subsidiary:	An entity: (a) whose affairs and policies the Issuer controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body or otherwise; or (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the Issuer. On the date of this Offering Memorandum the Issuer does not have any Subsidiary.
Terms and Conditions:	The Terms and Conditions of the Notes, which form inseparable part of the Offering Memorandum.
Trustee:	A reputable independent financial institution, law firm or other reputable company with the necessary resources to act as Trustee in respect of the Notes, who under these Terms and Conditions is authorized to act as a trustee (agent) of each Noteholder in all matters relating to the Notes, save for the Guarantees and Collaterals, in accordance with these Terms and Conditions and the Trustee Agreement. On the date of the Offering Memorandum, the Trustee is ZAB Eversheds Sutherland Bitāns SIA, a law firm registered with the Latvian Bar Association and registered with the Register of Enterprises of the Republic of Latvia under registration No. 40203329751, and with a registered address at: Marijas iela 2A, Riga, Latvia.
Trustee Agreement:	A trustee (agency) agreement entered into between the Issuer and the Trustee, which stipulates the rights and obligations of the Trustee in relation to representation of the Noteholders in all matters relating to the Notes, save for the Guarantee and Collaterals, as well as the Trustee's compensation. A copy of the Trustee Agreement is available upon request from the Issuer or, if available to it, to the Trustee. For the avoidance of doubt, neither the Issuer nor the Trustee shall be required to provide, release or make available the original Trustee Agreement to any Noteholder or other requesting person.

2. USE OF THE PROCEEDS

2.1. The total issue size is EUR 22,000,000.00 (twenty two million euro).

2.2. Funds that will be raised as a result of the issue will be used for the following purposes: (i) full repayment and discharge of the Existing Liabilities in amount of up to EUR 13,000,000 (thirteen million euro) in accordance with Clause 14(x); (ii) payment of the Arranger's placement fee and other fees, costs and expenses related to the issuance of the Notes and (iii) financing or refinancing the development of BESS Projects, including any ancillary infrastructure, project development costs, working capital and general corporate purposes related to such BESS Projects.

3. GENERAL INFORMATION

3.1. The Notes are bearer securities and any individual or entity that holds the Notes in his/her securities account has the right to receive Coupon and the Nominal Value payments. It is planned to issue the Notes with a Nominal Value of EUR 1,000.00 (one thousand euro) for one Note and total nominal value of up to

EUR 22,000,000.00 (twenty two million euro).

3.2. ISIN (International Security Identification Number) of the Notes allocated by Nasdaq CSD is LV0000112019.

3.3. In addition to the Subordinated Notes the Issuer may from time to time, without the consent of the Noteholders, create and issue further notes which are not issued under this Offering Memorandum, irrespective of whether such further notes are consolidated with already issued notes or not; however provided that they are subordinated to the Notes.

4. APPLICABLE LAW AND DISPUTE RESOLUTION

4.1. The issuance of the Notes is not a public offering within the meaning of the Prospectus Regulation (it is a private placement) and is arranged in compliance with the Applicable Laws that are in force, including regulations of the Bank of Latvia, Nasdaq CSD and Nasdaq Riga.

4.2. The Notes are governed by the laws of the Republic of Latvia.

4.3. All disputes between any one or more Noteholders and the Issuer shall be settled in courts of the Republic of Latvia in accordance with the laws of the Republic of Latvia. These Terms and Conditions are prepared in English and any translations of these Terms and Conditions into another language are unofficial and made exceptionally for the Potential Investors' convenience. In case of any disputes' settlement, interpretation of the provisions of these Terms and Conditions in English shall have a priority against an interpretation in any other language.

5. FORM AND ACCOUNTING OF THE NOTES

The Notes are issued in dematerialised form and will be recorded in the Latvian SSS (securities settlement system governed by the Applicable Laws), which will provide the maintaining function for the Notes. The Noteholders may hold the Notes through Nasdaq CSD participants participating in the Latvian SSS.

6. CURRENCY OF THE NOTES

Currency of the Notes is EUR (euro).

7. STATUS OF THE NOTES

7.1. The Notes will constitute senior secured obligations of the Issuer once the Existing Liabilities have been fully settled and the Signet Collaterals have been released and deleted from the relevant Public Register.

7.2. In case of the insolvency proceedings of the Issuer and provided that Existing Liabilities are fully settled and Signet Collaterals are deleted from relevant Public Register, and the Collateral securing the Notes has been validly established and, where applicable, perfected, the Noteholders will be entitled to recover their investment from the enforcement of the Collateral with priority over unsecured creditors, in each case according to the Applicable Laws, it being understood that, upon enforcement of the Collateral, payments to the Noteholders will only be made to the extent that the enforcement proceeds of the sale of the Collateral are sufficient, after first covering the costs of enforcement of the Collateral and the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with these Terms and Conditions and the costs, expenses, damages and claims of the Trustee in accordance with these Terms and Conditions and the Trustee Agreement.

7.3. Until the Existing Liabilities are fully settled and Signet Collaterals are deleted from the relevant Public Register, the Existing Liabilities will rank senior to the Notes to the extent secured by the Signet Collaterals and in accordance with the relevant financing and security documents and Applicable Laws.

7.4. Otherwise, save for mandatory provisions of the Applicable Laws, there are no contracts or other transaction documents that would subordinate the claims of the Noteholders to other secured liabilities of the Issuer.

7.5. In respect of the enforcement of the Guarantee as such (without enforcing the Collaterals) the Notes rank *pari passu* with other unsecured obligations of the Guarantor, save for obligations preferred by mandatory provisions of Applicable Laws.

7.6. For the avoidance of doubt, the security interests securing the Notes are granted to the Collateral Agent and not directly to the Noteholders, and the Noteholders' rights to the Collateral and the Guarantee are exercised exclusively through the Collateral Agent in accordance with these Terms and Conditions and the relevant Collateral Agreements, the Guarantee and the Collateral Agent Agreement.

8. RIGHTS AND RESTRICTIONS CONNECTED WITH ISSUE OF THE NOTES

8.1. Each Noteholder has the right to receive Coupon and Nominal Value payments in accordance with the Section 11 (*Coupon*) and Section 12 (*Repayment of the Notes*), as well as to exercise other rights provided in these Terms and Conditions and Applicable Laws.

8.2. The Issuer has the right to purchase the Notes on the secondary market or otherwise directly from the Noteholders. The Notes that are purchased by the Issuer shall be held in the Issuer's financial instruments' custody account and the Issuer has the right to sell the purchased Notes to Potential Investors and other Noteholders. The Issuer cannot cancel the purchased Notes held in the Issuer's financial instruments' account, therefore decreasing the size of the Notes issue, except within a 30 (thirty) calendar day period before the Maturity Date.

8.3. The Notes held by the Issuer, its direct or indirect shareholders and the Related Parties are not eligible to participate in the voting in accordance with these Terms and Conditions and shall be disregarded for quorum, majority and participation purposes.

9. RESTRICTIONS ON FREE CIRCULATION OF THE NOTES

9.1. The Notes are freely transferable debt securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or would require measures other than those required under the Applicable Laws, including the publication or approval of a prospectus, registration, notification, authorisation or other similar action.

9.2. Any Noteholder wishing to transfer or offer the Notes must ensure that any offering related to such transfer or offer would not be qualified as a public offering within the meaning of the Applicable Laws. According to these Terms and Conditions, it is the obligation and liability of the relevant Noteholder to ensure that any offering of the Notes does not fall under the definition of a public offering under the Applicable Laws.

10. FIRST SETTLEMENT DATE OF THE NOTES

The Issue Date (First Settlement Date) of the Notes issue is 30 June 2026, on which the Coupon starts to accrue.

11. COUPON

11.1. Coupon rate

11.1.1. The Coupon rate applicable to Notes for each Base Rate Period shall be equal to the Base Rate plus the Margin.

11.1.2. The Base Rate shall be 3M EURIBOR, subject to floor at zero.

11.1.3. The Margin shall be 9% (nine per cent) per annum and is fixed for every Base Rate Period.

11.1.4. If the Issuer breaches any undertaking set out in Clause 14(s) of these Terms and Conditions, the Margin shall be increased by 0.5 (zero point five zero) percentage points, with effect from the first day of the Base Rate Period immediately following such breach. Such increased Margin shall apply until the first day of the Base Rate Period immediately following the date on which the relevant breach is remedied, after which the Margin shall revert to the initial Margin set out in Clause 11.1.3.

11.2. Coupon payment procedure

11.2.1. Coupon shall be payable on each Coupon Payment Date. Coupon shall be payable made 4 (four) times per year – on 31 March, on 30 June, on 30 September and on 31 December of each year. The first Coupon payment date shall be 30 September 2026, and the last Coupon payment shall be payable on the Maturity Date.

11.2.2. The Coupon record date is the 5th (fifth) Business Day prior to the Coupon Payment Date. At the end of the Coupon record date, the list of the Noteholders who are eligible for the Coupon payments will be fixed. The Coupon payment shall be made to the Noteholders in accordance with the relevant Noteholders' list provided by Nasdaq CSD, on each Coupon Payment Date for the preceding Coupon period.

11.2.3. The Issuer shall pay the Coupon through the intermediary of Nasdaq CSD and in accordance with the applicable regulations of Nasdaq CSD, which regulate the procedure for paying income from debt securities. The regulations of Nasdaq CSD applicable on the date of the Terms and Conditions are Nasdaq CSD Rulebook and Corporate Action Service Description.

11.2.4. If the Coupon Payment Date is not a Business Day, the Issuer will pay the Coupon payment on the first Business Day after the Coupon Payment Date. The postponement of the payment date shall not have an impact on the amount payable and shall not constitute a default or delay in payment under these Terms and Conditions.

11.2.5. If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in these Terms and Conditions and such failure continues for more than 10 (ten) Business Days following the payment date of the relevant Coupon, the Noteholders shall have the right to submit claims regarding the payment of the Coupon.

11.3. Coupon calculation

11.3.1. Coupon calculation will be performed by the Calculation Agent. Quarterly Coupon payments, except for the first Coupon payment, are determined according to the following formula:

CPN = F * C/4 or CPN% = C/4, where:

CPN – the amount of the Coupon payment in EUR per Note;

F – Nominal Value of one Note;

C – annual Coupon rate (%) that is determined as Base Rate + Margin, where:

Base Rate is determined by the Calculation Agent on the Coupon Reset Date.

11.3.2. The first Coupon payment in respect of the time period between the Issue Date and the first Coupon Payment Date is determined according to the following formula:

CPN1 = F * C * 90/360, where

CPN1 – the amount of Coupon payment in EUR per Note on the first Coupon Payment Date;

F – Nominal value of one Note;

C – annual Coupon rate (%) that is determined as Base Rate + Margin and is equal to 11.351% (eleven point three hundred fifty one per cent), as the Base Rate for the first Coupon Period is set at 2.351% (two point three hundred fifty one per cent).

11.3.3. The last Coupon payment in respect of the last Coupon Payment Period is determined according to the following formula:

CPN2 = F * C * 90/360, where

CPN2 – the amount of Coupon payment in EUR per Note on the Maturity Date;

F – Nominal value of one Note;

C – annual Coupon rate (%) that is determined as Base Rate + Margin.

11.4. Calculation Agent

11.4.1. The Issuer appoints the Calculation Agent to determine the amount of quarterly payments to Noteholders and provide payment instructions to the Issuer. All calculations by the Calculation Agent shall be made in good faith and through the exercise of the Calculation Agent’s commercially reasonable judgment. Upon the request of the Issuer, the Calculation Agent shall provide the Issuer with such information as is reasonably necessary to enable the Issuer to confirm the accuracy of such calculations.

11.4.2. The Issuer shall have the right to designate an independent nationally recognized third-party expert with experience in corporate bonds to replace the Calculation Agent, and the parties shall work in good faith to execute any appropriate documentation required by such replacement Calculation Agent. The Calculation Agent shall be informed of its replacement at least 10 (ten) Business Days in advance.

11.4.3. Any determination or calculation by the Calculation Agent in such capacity shall be made in good faith and in a commercially reasonable manner.

11.5. Accrued interest calculation

11.5.1. The first Coupon starts to accrue on the Issue Date.

11.5.2. The accrued interest between the Coupon Payment Dates shall be calculated presuming there are 360 (three hundred and sixty) days in one year (day count convention – "European 30/360"). Accrued interest between Coupon Payment Dates shall be calculated as follows:

AI = F * C / 360 * D, where:

AI – accrued interest of one Note;

F – Nominal Value of one Note;

C – annual Coupon rate (%) that is determined as Base Rate + Margin;

D – the amount of days from the beginning of the Coupon accrual period according to European 30/360 day count method.

12. REPAYMENT OF THE NOTES

12.1. Scheduled amortization

12.1.1. The Issuer shall redeem the Notes in part on the dates (each such date – "**Redemption Date**") together with any accrued and unpaid Coupon and in the amounts set out below (each such amount – "**Redemption Amount**"):

a) until or before 31 December 2027: at least EUR 1,000,000.00 (one million euro) of aggregate Nominal Value of the Notes;

b) until or before 31 December 2028: at least EUR 3,000,000.00 (three million euro) of aggregate Nominal Value of the Notes;

c) until or before 31 December 2029: at least EUR 3,000,000.00 (three million euro) of aggregate Nominal Value of the Notes.

Each partial redemption shall reduce the outstanding aggregate Nominal Value of the Notes accordingly and shall be applied *pro rata* to all outstanding Notes.

12.1.2. The Redemption Amounts set out in Clause 12.1.1 constitute cumulative minimum repayment obligations of the Issuer. Any redemption made by the Issuer prior to a Redemption Date shall reduce the applicable outstanding Redemption Amount and, to the extent such redemption exceeds the applicable outstanding Redemption Amount, shall reduce subsequent outstanding Redemption Amounts in chronological order.

12.1.3. Each partial redemption shall be applied *pro rata* to all outstanding Notes. The principal amount payable in respect of each Note on a Redemption Date (the "**Principal Payment Amount**") shall be determined by dividing the aggregate amount to be redeemed on the relevant Redemption Date by the aggregate number of outstanding Notes immediately prior to such Redemption Date.

12.1.4. The Principal Payment Amount shall be rounded down to the nearest EUR 0.01, provided that no such Principal Payment Amount may exceed the Outstanding Nominal Value of the relevant Note.

12.1.5. Following the relevant redemption, the Outstanding Nominal Value of each Note shall be reduced by the applicable Principal Payment Amount. Any amount remaining undistributed as a result of rounding shall be carried forward and included in the next redemption of the Notes.

12.1.6. The Issuer may, at its option and at any time prior to the relevant Redemption Date, redeem all or any part of the Outstanding Nominal Value of the Notes together with any accrued and unpaid Coupon without paying any additional fees or amounts.

12.1.7. Any redemption pursuant to Clause 12.1.6 shall be applied against the outstanding Redemption Amounts in chronological order, reducing the earliest unsatisfied Redemption Amount first before being applied to subsequent outstanding Redemption Amounts. To the extent such redemption exceeds the earliest outstanding Redemption Amount, the excess shall automatically be applied towards subsequent outstanding Redemption Amounts in chronological order.

12.1.8. For the avoidance of doubt, any redemption made by the Issuer prior to a Redemption Date shall be taken into account in determining whether the applicable Redemption Amount has been satisfied.

12.1.9. The Issuer shall pay the respective Redemption Amount together with any accrued and unpaid Coupon through the intermediary of Nasdaq CSD and in accordance with the applicable regulations of Nasdaq CSD. The regulations of Nasdaq CSD applicable on the date of these Terms and Conditions are the Nasdaq CSD Rulebook and Corporate Action Service Description. The Redemption Amount together with any accrued and unpaid Coupon shall be paid on the relevant Redemption Date.

12.1.10. The list of the Noteholders eligible to receive any accrued and unpaid Coupon payable in connection with a Redemption Date shall be fixed at the end of the fifth Business Day preceding the relevant Redemption Date.

12.1.11. The list of Noteholders eligible to receive the applicable Redemption Amount and whose Notes shall be subject to the corresponding reduction of Outstanding Nominal Value shall be fixed at the end of the Business Day immediately preceding the relevant Redemption Date.

12.1.12. The Issuer shall notify the Noteholders, the Trustee, the Collateral Agent and Nasdaq CSD of any partial redemption not less than 10 Business Days prior to the relevant Redemption Date, specifying the aggregate amount to be redeemed, the Principal Payment Amount per Note and the resulting Outstanding Nominal Value of each Note following such redemption.

12.1.13. If the respective Redemption Date is not a Business Day, the Issuer will pay the respective Redemption Amount on the next Business Day after the respective Redemption Date. In case of the postponement of the payment date, the Issuer shall compensate the accrued interest for the period between the respective Redemption Date and the actual payment date of the respective Redemption Amount, unless such postponement results solely from the application of Nasdaq CSD procedures or other payment mechanics outside the Issuer's control, in which case no default shall be deemed to have occurred solely due to such postponement.

12.1.14. If the Issuer fails to make the respective Redemption Amount payment or any accrued and unpaid Coupon amount in accordance with the deadlines specified in these Terms and Conditions and such failure continues for more than 10 (ten) Business Days following the respective Redemption Date, the Noteholders shall have the right to submit claims to the Issuer (with a copy to the Collateral Agent and the Trustee) regarding the repayment of the respective Redemption Amount together with any accrued and unpaid Coupon.

12.2. **Repayment at maturity**

12.2.1. The Nominal Value of one Note is EUR 1,000.00 (one thousand euro), and the Issuer will repay Outstanding Nominal Value of the Notes (minus already paid Redemption Amounts) at the Maturity Date.

12.2.2. The Issuer shall pay Outstanding Nominal Value through the intermediary of Nasdaq CSD and in accordance with the applicable regulations of Nasdaq CSD. The regulations of Nasdaq CSD applicable on the date of these Terms and Conditions are the Nasdaq CSD Rulebook and Corporate Action Service Description. Outstanding Nominal Value will be paid on the Maturity Date. The list of the Noteholders eligible to receive Outstanding Nominal Value will be fixed at the end of the previous Business Day before the Maturity Date; whereas the list of the Noteholders for the Coupon payments is determined in accordance with Clause 11.2.2.

12.2.3. If the Maturity Date is not a Business Day, the Issuer will pay Outstanding Nominal Value of the Notes on the next Business Day after the Maturity Date. In case of the postponement of the payment date, the Issuer shall compensate the accrued interest for the period between the Maturity Date and the actual payment date of the Nominal Value, unless such postponement results solely from the application of Nasdaq CSD procedures or other payment mechanics outside the Issuer's control, in which case no default shall be deemed to have occurred solely due to such postponement.

12.2.4. If the Issuer fails to make the Nominal Value payment in accordance with the deadlines specified in the Terms and Conditions and such failure continues for more than 10 (ten) Business Days following the Maturity Date, the Noteholders shall have the right to submit claims to the Issuer (with a copy to the

Collateral Agent and the Trustee) regarding the repayment of the Nominal Value.

12.3. Early redemption at the option of the Issuer (call option)

12.3.1. Without prejudice to Issuer's obligation to redeem or repay the Notes as per Clauses 12.1 and 12.2, the Issuer may redeem the Notes, in whole or in part, as follows:

(a) from 1 July 2026 (inclusive), until 30 June 2027 (inclusive) by paying 103% (one hundred and three percent) of the Nominal Value amount of the redeemed Notes together with accrued and unpaid Coupon;

(b) from 1 July 2027 (inclusive), until 30 June 2028 (inclusive) by paying 102% (one hundred and two percent) of the Nominal Value amount of the redeemed Notes together with accrued and unpaid Coupon;

(c) from 1 July 2028 (inclusive), until 30 June 2029 (inclusive) by paying 101% (one hundred and one percent) of the Nominal Value amount of the redeemed Notes together with accrued and unpaid Coupon;

in each case in connection with a full or partial refinancing of the Notes or other full or partial early redemption of the Notes (unless the funds used for redemption of the Notes are generated from the commercial operations of the Issuer or the Shareholder).

12.3.2. From the date falling 6 (six) months prior to the Maturity Date until the Maturity Date, the Issuer may, in connection with a full or partial refinancing of the Notes or other full or partial early redemption of outstanding Notes (unless the funds used for such redemption are generated from the commercial operations of the Issuer or the Shareholder), redeem the Notes in full or in part at 100% (one hundred percent) of their Nominal Value, together with any accrued and unpaid Coupon up to (but excluding) the redemption date.

12.3.3. If the funds used for the full or partial redemption of the Notes pursuant to Clause 12.3.1 are generated from the commercial operations of the Issuer or the Shareholder, the Issuer may redeem the Notes at their Nominal Value together with any accrued and unpaid Coupon, without payment of any additional premium, including any premium otherwise payable under this Clause 12.3.

12.3.4. For the avoidance of doubt, if, at the time of a redemption pursuant to this Clause 12.3, any Redemption Amounts under Clause 12.1 remain outstanding, the redemption amount shall first be applied towards satisfaction of such outstanding Redemption Amounts in chronological order in accordance with Clauses 12.1.2, 12.1.7 and 12.1.8.

12.3.5. Any portion of the redemption amount exceeding the aggregate outstanding Redemption Amounts under Clause 12.1 shall constitute a redemption pursuant to this Clause 12.3 and shall be subject to the applicable redemption premium set out in Clauses 12.3.1 to 12.3.3. For the avoidance of doubt, the applicable redemption premium shall apply only to the portion of the redemption amount constituting a redemption pursuant to this Clause 12.3 and shall not apply to any portion applied towards satisfaction of outstanding Redemption Amounts under Clause 12.1.

12.3.6. Any partial redemption pursuant to this Clause 12.3 shall be applied equally to all outstanding Notes and shall be effected in accordance with the redemption mechanics set out in Clauses 12.1.3, 12.1.4 and 12.1.5. The applicable redemption premium shall be calculated on the portion of the Principal Payment Amount constituting a redemption pursuant to this Clause 12.3.

12.3.7. If the Issuer takes a decision on early full or partial redemption of the Notes pursuant to this Section 12.3, the Issuer shall notify the Noteholders at least 20 (twenty) Business Days prior to the redemption date of the Notes by publishing notice on the Communication Channels, as well as shall notify Nasdaq CSD. The Issuer shall also notify the Trustee of such early redemption in accordance with the notice procedure provided in the Trustee Agreement without undue delay and in any case no later than simultaneously with such publication.

12.3.8. If the Issuer redeems the Notes pursuant to this Section 12.3, the Issuer will pay the redemption payment through the intermediary of Nasdaq CSD in accordance with applicable regulations of Nasdaq CSD. The regulations of Nasdaq CSD applicable on the date of these Terms and Conditions are the Nasdaq CSD

Rulebook and Corporate Action Service Description. The list of the Noteholders eligible to receive the redemption payment will be fixed at the end of the previous Business Day before the redemption payment date. The Issuer shall immediately inform the Collateral Agent and the Trustee once such redemption has been completed.

12.4. Early redemption at the option of the Noteholders upon Change of Control

12.4.1. In case a Change of Control has occurred or is anticipated to occur, the Issuer shall (in case of anticipated Change of Control – may) notify the Noteholders by publishing a relevant notice with sufficient details on the Communication Channels) no later than 20 (twenty) Business Days after a Change of Control has occurred and, in case of anticipated Change of Control, as soon as reasonably practicable prior to its anticipated occurrence. The Issuer shall also notify the Trustee of the Change of Control and provide the relevant notice in accordance with the notice procedure provided in the Trustee Agreement without undue delay and in any case no later than simultaneously with such publication. The early redemption notice upon the Change of Control shall:

(a) state that a Change of Control has occurred or is anticipated to occur, and that each Noteholder, within a period of 10 (ten) Business Days from (and including) the date of such notice, has the right to require the Issuer to redeem all of such Noteholder's Notes at a price equal to 101% (one hundred and one percent) of the Nominal Value together with accrued and unpaid Coupon to (but excluding) the applicable redemption date;

(b) specify the redemption date, which shall be no earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to Noteholders, provided that, if the notice is delivered prior to the occurrence of a Change of Control, the Issuer may state that the redemption of the Notes is conditional upon the occurrence of a Change of Control, in which case the Notes will be redeemed no later than 20 (twenty) Business Days following the occurrence of the Change of Control;

(c) specify the record date;

(d) state that any Note redeemed will cease to accrue interest from (and including) the redemption date and that any Notes not redeemed will continue to accrue interest in accordance with these Terms and Conditions;

(e) describe the circumstances and relevant facts regarding the transaction or transactions that constitute a Change of Control; and

(f) describe the procedures determined by the Issuer in cooperation with the Trustee that a Noteholder must follow to have its Notes redeemed;

(g) include, as an attachment, the form of notice of exercise to be completed and submitted by a Noteholder wishing to exercise its right to require early redemption of its Notes following the Change of Control.

12.4.2. To exercise a Change of Control early redemption, the Noteholder must, within 10 (ten) Business Days after the date of publication of the Issuer's notice, submit to the Issuer (with copy to Trustee) a duly signed and completed notice of exercise in the form provided by the Issuer. The completed form shall be submitted to the Issuer (with copy to Trustee) (i) directly (hard-copy original delivered by post or courier, or electronically signed delivered by e-mail), or (ii) indirectly via the Noteholder's Custodian. A failure to respond within the designated time period shall be a waiver of the exercise of Change of Control early redemption in respect to the relevant Notes. An option once validly exercised shall be irrevocable, except with the prior consent of the Issuer. Settlement of the redemption amount shall occur on the redemption date specified in the Issuer's notice.

12.4.3. If 75% (seventy-five per-cent) or more by Nominal Value of the Notes then outstanding have been redeemed pursuant to this Section 12.4 (*Early redemption at the option of the Noteholders upon Change of Control*), the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders, given within 30 (thirty) days after the redemption of the Notes pursuant to Clauses 12.4.1 and 12.4.2, redeem, on a date to be specified in such notice, all (but not some only) of the remaining Notes at 101% (one hundred and one percent) of the Nominal Value together with accrued and unpaid Coupon to (but excluding) the applicable redemption date. The Issuer shall immediately inform the Collateral Agent once such full or partly redemption has been completed.

12.5. **Early redemption at the option of the Noteholders upon De-listing Event or Listing Failure**

12.5.1. In case a De-listing Event or Listing Failure has occurred, the Issuer has the obligation to notify the Noteholders by publishing a relevant notice with sufficient details on the Communication Channels no later than 20 (twenty) Business Days after a De-listing Event or Listing Failure has occurred:

(a) De-listing Event or Listing Failure has occurred, and that each Noteholder within a period of 10 (ten) Business Days has the right to require the Issuer to redeem all of such Noteholder's Notes at a price equal to 101% (one hundred and one percent) of the Nominal Value plus accrued and unpaid Coupon;

(b) stating the redemption date, which shall be no earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to the Noteholders;

(c) stating the record date;

(d) stating that any Note redeemed will cease to accrue interest after redemption and any Notes not redeemed will continue to accrue interest;

(e) describing the circumstances and relevant facts regarding occurrence of a De-listing Event or Listing Failure; and

(f) describing the procedures determined by the Issuer in cooperation with the Trustee that the Noteholder must follow to have its Notes redeemed;

(g) include, as an attachment, the form of notice of exercise to be completed and submitted by a Noteholder wishing to exercise its right to require early redemption of its Notes following the De-listing Event or Listing Failure.

12.5.2. At the same time when the Issuer notifies the Noteholders in accordance with Clause 12.5.1, the Issuer shall also notify the Trustee of the De-listing Event or Listing Failure and provide the relevant notice in accordance with the notice procedure provided in the Trustee Agreement without undue delay and in any case no later than simultaneously with such publication.

12.5.3. To exercise the De-listing Event or Listing Failure early redemption, the Noteholder must within a period of 10 (ten) Business Days after the date of publication of the Issuer's notice submit to the Issuer (with copy to Trustee) a duly signed and completed notice of exercise put option in the form provided by the Issuer. The completed form shall be submitted to the Issuer (with copy to Trustee) by the Noteholder directly (physically signed form delivered by post or courier or electronically signed delivered by e-mail) or indirectly via the Noteholder's Custodian. If no response from the Noteholder has been received within the designated time period, it shall be considered that the Noteholder will not execute its put option. No option so exercised may be withdrawn without a prior consent of the Issuer.

12.5.4. If 75 (seventy-five) per cent or more in Nominal Amount of the Notes then outstanding have been redeemed pursuant to this Clause 12.5. (*Early redemption at the option of the Noteholders upon De-listing Event or Listing Failure*), the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders given within 30 (thirty) days after the redemption of the Notes pursuant to Clauses 12.5.1, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at 101% (one hundred and one percent) of the Nominal Value plus accrued and unpaid Coupon.

13. FINANCIAL COVENANTS

13.1. The Issuer undertakes that, from 1 January 2028 and for as long as any Notes are outstanding, the Company shall comply with the following financial covenants ("**Financial Covenants**"):

(a) to maintain an Interest Coverage Ratio of at least 1.5x (one point five times), calculated for the Relevant Period and tested at the end of each quarter;

(b) to maintain an Equity Ratio of at least 30% (thirty per cent), in each case calculated for the Relevant Period and tested at the end of each quarter;

(c) to maintain a Net Debt Leverage Ratio of less than 4x (four times), calculated for the Relevant Period and tested at the end of each quarter.

13.2. Notwithstanding Clause 13.1, and for the purposes of paying dividends or making other distributions under Clause 14(a) as of 1 June 2027, the Issuer may, at its sole discretion, elect that the Company starts complying with all the Financial Covenants from 1 June 2027 by delivering a written notice to the Trustee and a Compliance Certificate confirming such compliance.

14. UNDERTAKINGS

The Issuer undertakes to comply with the following undertakings from the Issue Date and for as long as any Notes are outstanding and unless otherwise consented or decided by the Majority Noteholders:

(a) not to pay dividends or make any other distribution of profits to its shareholders prior to 1 January 2028. From 1 January 2028, the Issuer may pay dividends or make any other distribution of profits only if all Financial Covenants are complied with after such payment or distribution. Notwithstanding the above, from 1 June 2027, the Issuer may pay dividends or make other distributions of profits to its shareholders if the Issuer has elected, in accordance with Clause 13.2 of these Terms and Conditions, that the Company starts complying with all Financial Covenants from 1 June 2027, has delivered a Compliance Certificate confirming such compliance, and all Financial Covenants are complied with after giving effect to such payment or distribution.

For the avoidance of doubt, this restriction shall not apply to payments made in respect of the Notes (including Coupon or Nominal Value) in accordance with these Terms and Conditions, or to Coupon payments made in respect of the Subordinated Notes in accordance with the terms and conditions of the Subordinated Notes;

(b) not make any payment to Related Parties (other than payments to the Shareholder permitted under paragraph (a) above of this Clause or otherwise expressly permitted under this paragraph (b)), unless such payment or transfer: (i) is made on arm's length terms, (ii) constitutes a Permitted Subordinated Payment; and (iii) is made only if all Financial Covenants are met after giving effect to such payment or transfer;

(c) not to make any substantial change to the general nature of the business of the Issuer from that carried on at the Issue Date (including, but not limited to, the commencement of any new business which is not ancillary or incidental to the original business);

(d) to ensure that BESS Projects are completed and commercial operations of BESS Projects (i.e., when the first kWh of electricity is injected into the grid) are started until 31 December 2026 and within budget of EUR 25,000,000 (twenty-five million euro) (excluding VAT) and to notify promptly the Noteholders and the Trustee of any material delay or cost overrun;

(e) to maintain and/or procure sufficient liquidity, including through refinancing, replacement financing, available cash or other sources of funds, prior to the Maturity Date, in an amount sufficient to redeem the Notes in full and to pay accrued and unpaid Coupon payments;

(f) to ensure that substantially all cash turnovers and incoming and outgoing payments of the Issuer are processed through accounts held with Signet Bank;

(g) not to dispose, donate or in any other manner alienate any of its assets where such disposal would have a material adverse effect on the Issuer's commercial operations, business or financial condition, except to the extent the Issuer is required to de-install and remove BESS from the land plots or to deregister Building Rights from the Land Book pursuant to an agreement entered into between the Issuer and a creditor whose claims are secured by mortgages over the relevant land plots;

(h) not to initiate or permit the initiation of the Issuer's liquidation, reorganization or similar proceedings, as well as to procure that the Shareholder is not liquidated or reorganized (including to notify the Shareholder about such prohibition and that otherwise such actions may constitute an Event of Default under the Terms and Conditions);

(i) not to reduce the share capital of the Issuer; for the avoidance of doubt, a share capital increase is allowed (provided that at the same time the relevant share pledge constituting Collateral is amended (novated), to ensure that the share pledge extends to the newly issued shares of the relevant Collateral Provider and is registered with the relevant Public Register);

(j) to ensure that any transactions with the Related Parties are entered into at Fair Market Value; however, such transactions in relation to the Material Agreement may be entered into with the Related Parties on terms consistent with prudent market practice;

(k) not to terminate or materially amend the Material Agreement, on terms materially less favourable to the Issuer or the Noteholders.

(l) to ensure and to procure that, where applicable, the Related Parties to maintain in full force and effect the Material Agreement required for the operation and revenue generation of the BESS Projects (including any trading and optimization agreements) on terms consistent with prudent market practice and shall not materially amend, terminate or replace such agreements on terms materially less favourable for the Noteholders;

(m) to ensure that the BESS Projects are traded, aggregated and optimised with the objective of maximising revenues from wholesale, ancillary and other relevant electricity markets, within the agreed trading mandate, cycle limits and prudent operating parameters. The Issuer shall procure and maintain trading arrangements with a competent trading and optimisation service provider selected on arm's length terms and on then-prevailing market terms, and shall not materially amend, terminate or replace such arrangements unless the replacement or amended arrangements are entered into on arm's length terms and are not materially less favourable to the Issuer or the Noteholders, taken as a whole and having regard to then-prevailing market conditions;

(n) to ensure that all existing and future unsecured loans received by the Issuer are subordinated to the Notes and, where required under the Terms and Conditions, Subordination Agreement is concluded;

(o) not to create or permit to subsist any mortgage, pledge or any other security interest (each a "**Security**"), other than a Permitted Security, upon the whole or any part of its present or future business, undertaking, assets or revenues to secure any Financial Indebtedness without at the same time or prior thereto securing the Notes equally and rateably therewith or otherwise in a manner approved by the Majority Noteholders;

(p) to ensure that the Issuer's assets are insured with a reputable insurance company to the extent customary and commercially reasonable for assets of the relevant type and taking into account the nature and stage of development of the relevant BESS Projects;

(q) not to early redeem, exercise any call option, to repurchase the Subordinated Notes in the secondary market or otherwise directly from the Noteholders or otherwise repay the Subordinated Notes except where such redemption, purchase or repayment is expressly permitted under these Terms and Conditions or approved by the Majority Noteholders. For avoidance of doubt, the coupon and default interest payments under the Subordinated Notes are allowed in accordance with the terms and conditions of the Subordinated Notes;

(r) to procure that, from the Issue Date until the Building Rights are registered with the Land Book, agreements with the following secured creditors of the Shareholder's subsidiaries developing solar parks - (i) Signet Bank; (ii) Attīstības finanšu institūcija Altum, Akciju sabiedrība (registration number 50103744891); (iii) Luminor Bank AS (registered in Estonia under registration number 11315936), Latvian branch (registration number 40203154352); (iv) Citadele banka, Akciju sabiedrība (registration number 40103303559); and (v) Swedbank, AS (registration number 40003074764) providing, among others, for the acknowledgment and segregation of the Issuer's assets, remain in full force and effect;

(s) to register Building Rights in the name of the Issuer and related servitudes with the Land Book in respect of the land plots representing at least 70% of the aggregate planned installed capacity of the BESS Projects within 6 (six) calendar months after the Issue Date and to establish and register with the Land Book mortgage(s) over Building Rights to secure the Notes within 7 (seven) calendar months after the Issue Date, the Issuer shall notify the Noteholders, the Trustee and the Collateral

Agent promptly upon satisfaction of this undertaking;

(t) to apply for, and use reasonable endeavours to procure, the admission to trading of the Notes on First North operated by Nasdaq Riga within 12 (twelve) calendar months after the Issue Date;

(u) to prepare and publish on the Communication Channels consolidated unaudited quarterly reports for the Company with management comments, prepared according to the Accounting Principles, no later than the last day of the second month following the end of each respective quarter. From the quarter which commences from 1 January 2028 or, if the Issuer has elected that the Company starts complying with the Financial Covenants from 1 June 2027, from the first reporting period ending after such election, the Compliance Certificate shall specify the compliance with Financial Covenants. The Issuer shall also send all published reports and the Compliance Certificate to the Trustee in accordance with the notice procedure provided in the Trustee Agreement;

(v) to prepare and publish on the Communication Channels consolidated audited annual reports for the Company prepared according to the Accounting Principles, no later than 5 (five) months after the end of each Financial Year. The annual reports should be audited by an Auditor. The Issuer shall also send all published reports to the Trustee in accordance with the notice procedure provided in the Trustee Agreement without undue delay after such publication; and

(w) not to agree with the Trustee or the Collateral Agent, as applicable, to amend any provisions of the Trustee Agreement, the Collateral Agent Agreement, the Collateral Agreement, or the Guarantee without the consent of the Majority Noteholders if the amendment would be detrimental to the interests of the Noteholders;

(x) to repay and discharge the Existing Liabilities in full within 5 (five) Business Days from the date on which the Issuer has received net proceeds from the Issue and are freely available to the Issuer for such repayment.

15. EVENTS OF DEFAULT

15.1. If an Event of Default has occurred and is continuing, the Noteholder(s) holding, in aggregate, at least 10% (ten percent) of the Nominal Value of the outstanding Notes may, by written notice to the Issuer (with a copy to the Collateral Agent and the Trustee), notify the Issuer of the alleged occurrence of Event of Default and request acceleration of the Notes. If within 20 (twenty) Business Days after receipt of the notice from the Noteholder(s) the Issuer: (i) confirms in writing that an Event of Default has occurred and is continuing in accordance with this Clause, or (ii) does not provide any written response to the Trustee and does not publish any confirmation or denial of occurrence of the Event of Default on the Communication Channels, then the Notes are accelerated and all Notes, together with accrued and unpaid Coupon, and the Notes shall become immediately due and payable without any additional notice. Then the Issuer shall pay to all Noteholders, *pro rata*, the Nominal Value of the Notes together with the accrued and unpaid Coupon and default interest or contractual penalty, as applicable, in accordance with Section 16 (*Default Interest or Penalty*) no later than 20 (twenty) Business Days after the earlier of such confirmation or the expiry of the said 20 (twenty) Business Day response period. If the Issuer fails to make such payment when due, the Noteholders may act in accordance with Section 23.3 (*Enforcement of the Collateral and the Guarantee*).

15.2. If within 20 (twenty) Business Days after receipt of the notice from the Noteholders stated in Clause 15.1 the Issuer has submitted objections to the Trustee and has published the relevant notice of objection on the Communication Channels, the Trustee shall, within 10 (ten) Business Days from receipt of the objection by the Issuer, determine whether an Event of Default exists and is continuing. If the Trustee, acting reasonably, requires more than 10 (ten) Business Days to determine whether an Event of Default exists and is continuing, the Trustee shall send information regarding the time necessary for the decision and the justification for such extension to the Issuer, which shall publish such information according to Section 18 (*Disclosure of Information)*.

15.3. If the Trustee determines that the Event of Default has occurred and is continuing and unless otherwise instructed by the Majority Noteholders, the Trustee by submitting the notification to the Issuer shall declare that the Notes are accelerated, and all Notes, together with accrued and unpaid Coupon, become immediately due and payable. Then the Issuer shall pay to all Noteholders, *pro rata*, the Nominal Value of the Notes together with the accrued and unpaid Coupon and default interest or contractual penalty, as applicable, in accordance with Section 16 (*Default Interest or Penalty*) within 10 (ten) Business Days from the notification by the Trustee. If the Issuer fails to make such payment when due, the Noteholders may act in accordance with Section 23.3 (*Enforcement of the Collateral or the Guarantee*). If the Trustee determines that no Event of Default exists or is continuing, the Trustee shall notify the Issuer of such determination and the Issuer shall publish such determination via Communication Channels, and it shall be considered that no Event of Default has occurred.

15.4. The Issuer shall publish information regarding the notice received from Noteholders representing at least 10% (ten percent) of the Nominal Value of the outstanding Notes alleging the occurrence of an Event of Default (as per Clause 15.1) on the Communication Channels within 5 (five) Business Days from the receipt of such notice. The Issuer shall publish information on the Communication Channels within 5 (five) Business Days after the Issuer has received from the Trustee a notification that an Event of Default has occurred and is continuing (as per Clause 15.2) and that the Notes are accelerated, and all Notes, together with accrued and unpaid Coupon, become immediately due and payable.

15.5. Without prejudice to Clause 15.1, the Issuer shall immediately, but not later than within 3 (three) Business Days notify the Noteholders on the Communication Channels and the Trustee in accordance with the notice procedure provided in the Trustee Agreement (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Trustee with such further information as it may reasonably request in writing following receipt of such notice. Further, the procedure stated in Clauses 15.4 and 15.2 shall apply, *mutatis mutandis*, unless the Issuer has already confirmed that an Event of Default has occurred and is continuing.

15.6. Each of the events or circumstances set out below shall constitute an Event of Default:

(a) **Non-payment**: the Issuer fails to pay to the Noteholder any amount that must be paid to the Noteholders under the Terms and Conditions on the due date for respective payment, unless the payment is made within 10 (ten) Business Days following the original due date. The Noteholders shall have the right to submit claims regarding failure to make payment not earlier than 10 (ten) Business Days after the due date of the relevant payment;

(b) **Breach of Financial Covenants**: the Issuer does not comply with any financial covenant set out in Section 13 (*Financial Covenants*), unless prior to or within 20 (twenty) Business Days of the earlier of: (i) the date on which the relevant Financial Report is to be published pursuant to these Terms and Conditions; and (ii) the date that such a Financial Report was in fact published pursuant to these Terms and Conditions for any Relevant Period in which such failure to comply was (or would have been) first evidenced (**"Breach Period"**), the Issuer has received cash proceeds of new injections from the shareholders in the form of equity and/or Subordinated Debt (the "**Equity Cure**"), in an amount at least sufficient to ensure that the Financial Covenants would be complied with if tested again as at the last date of the Breach Period. For the purposes of calculating the Financial Covenants, the amount of any Equity Cure shall be deemed to increase EBITDA for the Relevant Period, without double counting.

Any Equity Cure provided to the Issuer in respect of such Breach Period shall be deemed to have been provided during the Breach Period and shall be included (without double counting) in all relevant calculations of the Financial Covenants until the date it was deemed provided falls outside any subsequent Relevant Period.

If after the Equity Cure the relevant Financial Covenant is met, then an Event of Default shall not be constituted in respect of that breach.

(c) **Breach of Undertakings***:* the Issuer does not comply with any undertakings set out in Section 14 (*Undertakings*), unless such non-compliance (i) is capable of being remedied and (ii) is remedied within 20 (twenty) Business Days after the Issuer becoming aware of the non-compliance or the Issuer receiving written notice thereof from the Trustee, whichever is earlier, provided that the following shall not constitute an Event of Default under this paragraph (c):

(i) any breach of Clause 14 (t) that constitutes De-listing Event or Listing Failure;

(ii) any breach of Clause 14(s).

(d) Cross-Default:

(i) any Financial Indebtedness of the Issuer or Guarantor is neither paid when due nor within any applicable grace period;

(ii) any Financial Indebtedness of the Issuer or Guarantor is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);

(iii) any commitment for any Financial Indebtedness of the Issuer or Guarantor is cancelled or suspended by a creditor, as a result of an event of default (however described); or

(iv) any security securing Financial Indebtedness of the Issuer or Guarantor over any asset is enforced by a secured creditor;

provided, however, that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds in total EUR 200,000 (two hundred thousand euro) (or the equivalent thereof in any other currency), provided that there is no dispute on the obligation to pay, and that the above does not apply to any Financial Indebtedness owed to the Related Parties or to any Subordinated Debt.

(e) Insolvency:

(i) the Issuer, any Collateral Provider or the Guarantor is subject to any Insolvency Proceedings or similar proceedings in any competent jurisdiction or admits inability to pay its debts in case of lawful claims, save for the claims of the Related Parties, other than any Insolvency Proceedings which are being disputed in good faith and are discharged, stayed or dismissed within 90 (ninety) calendar days of commencement (if under Applicable Laws such action is possible in respect of the relevant Insolvency Proceedings);

(ii) the Issuer, any Collateral Provider or the Guarantor enters into any arrangement with majority of its creditors by value in relation to the restructuring of its debts or any meeting is convened to consider a proposal for such arrangement, other than any solvent reorganisation, refinancing, rescheduling or restructuring permitted under these Terms and Conditions or approved by the Majority Noteholders; or

(iii) an application to initiate any Insolvency Proceedings or similar proceedings in relation to the Issuer, any Collateral Provider or the Guarantor or any other proceedings for the settlement of the debt of the Issuer or of any Collateral Provider or the Guarantor is submitted to the court by the Issuer or any Collateral Provider or the Guarantor.

(f) Failure to notify of a Change of Control: the Issuer does not comply with any notification obligations set out in Section 12.4 (*Early redemption at the option of the Noteholders upon Change of Control*).

(g) Non-compliance of Subordination Agreement terms: the Issuer, the Shareholder (acting as borrower under the Subordinated Loan) or the Subordinated Creditor violates any provision of the Subordination Agreement and this violation is not remedied within 30 (thirty) days as of the date the Collateral Agent, on behalf of the Noteholders, has sent a notice of violation with a request to immediately remedy such violation.

16. DEFAULT INTEREST OR PENALTY

16.1. If the Issuer fails to pay to the Noteholders any amount of principal payable by it under the Terms and Conditions, then the Issuer shall pay to the Noteholders default interest (in Latvian: *nokavējuma procenti*) accruing on the overdue amount from the due date up to the date of actual payment at a rate which is 0.05% (zero point zero five per cent) per day of the overdue principal amount.

16.2. If the Issuer fails to pay any Coupon payment when due under these Terms and Conditions, the Issuer shall pay to the relevant Noteholders a contractual penalty (in Latvian: *līgumsods*) accruing on the overdue Coupon amount from the due date up to the date of actual payment at a rate of 0.05% (zero point zero five per cent) per day, provided that the aggregate amount of such contractual penalty shall not exceed

10% (ten per cent) of the relevant overdue Coupon amount.

17. FORCE MAJEURE

17.1. The Issuer shall be entitled to postpone the fulfilment of its obligations under these Terms and Conditions by publishing a relevant notice on the Communication Channels in case the performance of such obligations is not possible due to the continuous existence of any of the following circumstances which are beyond the reasonable control of the Issuer, could not reasonably have been foreseen or avoided by the Issuer, and materially prevent or delay the performance of the affected obligation (a "**Force Majeure Event**"):

(a) action of any authorities, war or threat of war, armed hostility or a serious threat of it, including but not limited to enemy attacks, blockades, military embargoes, actions by a foreign enemy, general military mobilisation, military actions, declared and undeclared war, actions by a public enemy, commotions, acts of terrorism, diversions, piracy, disorders, invasion, revolution, coup, insurrection, mass unrest, expropriation, enforced withdrawal, takeover of enterprises, requisition, sanctions, trade restrictions, emergency measures, mandatory orders or restrictions imposed by any governmental, regulatory, supervisory or other competent authority;

(b) disturbances in postal, telephone, or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect the operations of the Issuer, Nasdaq CSD, the Trustee, the Collateral Agent, any paying agent, account bank, custodian, settlement system, trading venue or other infrastructure provider relevant to the performance of the Issuer's obligations under these Terms and Conditions;

(c) any interruption of or delay in any functions or operational measures of the Issuer as a result of fire, frost or other similar disaster, including flood, storm, lightning, earthquake, epidemic, pandemic, explosion, cyberattack, failure of information technology systems, failure of payment or settlement systems, power outage, grid failure or other event affecting critical infrastructure;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer or any material service provider, counterparty, settlement system, account bank, custodian or infrastructure provider relevant to the performance of the Issuer's obligations under these Terms and Conditions; or

(e) any other similar force majeure hindrance or circumstance beyond the Issuer's reasonable control which materially prevents or delays the performance of the affected obligation.

17.2. In case of occurrence of a Force Majeure Event, the Issuer's fulfilment of the affected obligations may be postponed for the period of the existence of such respective circumstances and shall be resumed as soon as reasonably practicable after such circumstances cease to exist, provided that the Issuer shall use all commercially reasonable efforts to limit the effect of the Force Majeure Event and to resume the fulfilment of its affected obligations as soon as possible.

18. DISCLOSURE OF INFORMATION

18.1. Up until the Maturity Date, the Issuer shall publish all information required by these Terms and Conditions, the applicable rules of Nasdaq Riga and Applicable Laws.

18.2. Unless it is provided otherwise in these Terms and Conditions, all notices and reports to Noteholders shall be published on the Communication Channels.

18.3. If under the Terms and Conditions, the Applicable Law, the Collateral Agreement or the Trustee Agreement the Trustee or the Collateral Agent, as applicable, is obligated to notify or inform the Noteholders, then upon request of the Collateral Agent or the Trustee, the Issuer shall publish any notices of the Collateral Agent or the Trustee to the Noteholders where under the in a manner specified in Clause 18.2 as soon as reasonably practicable and, in any event, within 2 Business Days after receipt of such request. For this purpose, the Issuer hereby irrevocably authorises the Collateral Agent or Trustee, each separately and as applicable, to publish such notices or information directly on the Communication Channels or any other permitted medium, including via Nasdaq CSD, the Collateral Agent's or Trustee's website, should the Issuer fail to do so within the time period set out above or if the Collateral Agent or the Trustee otherwise considers such direct publication necessary to properly inform the Noteholders, provided that such publication relates to the Notes, the Collateral, the Guarantee, the Trustee Agreement, the Collateral Agent

Agreement or the rights of the Noteholders under these Terms and Conditions. If required by the Collateral Agent or the Trustee (each separately), the Issuer shall issue the necessary power of attorney to the Collateral Agent or the Trustee regarding such publication and communication in a form and content reasonably acceptable to the Collateral Agent or the Trustee, as applicable.

18.4. Any notice or report published in a manner prescribed in Clauses 18.1, 18.2 or 18.3 shall be deemed to have been received on the same Business Day on which it is published, provided that if such publication occurs after 17:00 Riga time or on a day which is not a Business Day, such notice or report shall be deemed to have been received on the next Business Day.

19. REPRESENTATION OF THE NOTEHOLDERS BY THE COLLATERAL AGENT

19.1. The Collateral Agent holds the Collateral for the benefit of the new and existing Noteholders and is authorized to act with the Collateral in favour of all the Noteholders in accordance with these Terms and Conditions, the Collateral Agent Agreement, the Collateral Agreements and the Guarantee.

19.2. The Noteholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for Noteholders' right to create and/or authorize an organization/person that represents the legal interests of all Noteholders or part thereof.

20. GUARANTEE

20.1. The Guarantee is a surety (in Latvian: *galvojums*) in accordance with the Civil Law of the Republic of Latvia. The Guarantor undertakes responsibility for the Issuer's obligations under these Terms and Conditions as if it were the principal debtor (in Latvian: *kā pats parādnieks*) and waives the right to request that the Noteholders first direct any claim or demand for outstanding payments from the Issuer in the first place.

20.2. For the purpose of guaranteeing due and timely payment, discharge, and performance of the Issuer's payment obligations under the Notes, the Guarantee shall be provided by the Guarantor to the Collateral Agent for the benefit of the Noteholders before or on the Issue Date. The Collateral Agent is authorised to enforce the Guarantee pursuant to these Terms and Conditions, the Collateral Agent Agreement and its amendments thereto, and the Guarantee.

20.3. By subscribing to the Notes, each Noteholder acknowledges and confirms that the Guarantor may use, deal with, consume, spend, utilize and dispose of and otherwise manage its assets in the ordinary course of business and in accordance with reasonable business practices, provided that such actions do not constitute a breach of the Guarantee or these Terms and Conditions.

20.4. The Guarantor's payment obligation arising from the Guarantee arises only if all of the following conditions are met: (i) the Issuer has failed to make the respective payment within the deadline as stated under these Terms and Conditions; (ii) at least 20 (twenty) Business Days have passed following the occurrence of the respective missed payment deadline; (iii) the Collateral Agent has submitted to the Guarantor (with a copy to the Issuer) a respective demand for payment under the Guarantee in accordance with the procedure set out in the Guarantee, and (iv) the Issuer's relevant payment obligation under the respective Issue remains due and unpaid.

20.5. To ensure proper performance of the Guarantee and any payments arising therefrom, the Issuer and the Guarantor shall enter into all necessary agreements, including those as requested by the Majority Noteholders (including agreement with Nasdaq CSD). Such agreements shall provide that, in case of a default by the Issuer, the Guarantor shall perform (and is liable for) the Issuer's payment obligations under the Notes.

20.6. The Noteholders are entitled to get acquainted with a copy of the Guarantee upon written request to the Issuer or, if available to it, the Trustee. For the avoidance of doubt, neither the Issuer, the Trustee nor the Collateral Agent shall be required to provide, release or make available the original Guarantee to any Noteholder or other requesting person.

20.7. The Guarantee terminates when the Notes are fully redeemed or repaid, and all related monetary claims of the Noteholders against the Issuer are satisfied in full.

21. COLLATERAL

21.1. Collateral

21.1.1. Without prejudice to Section 14 *(Undertakings)*, fulfilment of the Issuer's obligations under the Notes shall be secured at all times (except mortgages over Building Rights that will secure the Issuer's obligations in accordance with Clause 14(s)) by:

(a) a first (initially second) ranking commercial pledge over existing and future assets of the Issuer as an aggregation of things and future components of such aggregation of things pursuant to a commercial pledge agreement entered into between Issuer and the Collateral Agent;

(b) a first (initially second) ranking commercial pledge over all present and future shares in the Shareholder, pursuant to a commercial pledge agreement entered into between all Shareholder's shareholders and the Collateral Agent;

(c) first (initially second) ranking commercial pledge over all present and future shares in the Issuer, held by the Shareholder, pursuant to a commercial pledge agreement entered into between the Shareholder and the Collateral Agent;

(d) first ranking mortgage(s) over Building Rights to be granted pursuant to the mortgage agreement entered into between the Issuer and the Collateral Agent in accordance with Clause 14(s).

21.1.2. The maximum amount of secured claim of the Collateral shall be EUR 30,800,000.00 (thirty million eight hundred thousand euro) for each Collateral.

21.1.3. The maximum amount of secured claim of the Collateral comprises the aggregate Nominal Value of EUR 22,000,000.00 (twenty two million euro) plus EUR 8,800,000.00 (eight million eight hundred thousand euro) as auxiliary claims).

21.1.4. First, the Collateral, except mortgage, shall be established and registered as the second ranking collateral with the relevant Public Register in accordance with the terms and conditions of the relevant Collateral Agreement and the Terms and Conditions before the Issue Date.

21.1.5. After full repayment of the Existing Liabilities, Signet Bank will submit immediately relevant applications to the Public Register to delete Signet Collateral. After Signet Collateral is deleted from the Public Register, the Collateral automatically become as first rank collateral.

21.1.6. When pursuant to Clause 14(s) mortgage(s) over Building Rights (or any part of them) are to be registered, then upon the Issuer's request, the Collateral Agent, acting solely as an administrative agent of the Noteholders and without exercising discretion, as well as without Noteholders consent, concludes the relevant mortgage agreement(s) or amendments to previously concluded mortgage agreement if the mortgage over the Building Rights is established in stages (ie, over part of the Building Rights) and, if needed, performs all necessary actions required to register relevant mortgage with relevant Public Register. Further, upon the Issuer's request, the Collateral Agent, acting solely as an administrative agent of the Noteholders and without exercising discretion, as well as without Noteholders consent, issues consent on registering the relevant servitudes if needed in relation to operation of the BESS Projects.

21.1.7. If in accordance with these Terms and Conditions or relevant Collateral Agreement, the relevant Collateral must be amended or novated (e.g., increase of share capital), then upon the Issuer's or Collateral Provider's request the Collateral Agent, acting solely as an administrative agent of the Noteholders and without exercising discretion, as well as without Noteholders consent, sign the relevant amendments to the Collateral Agreement, if needed, as well as necessary pledge registration application to ensure relevant amendment or novation registration with the Public Register.

21.1.8. Collateral Agent will hold the Collateral for the benefit of the Noteholders and the Collateral Agent as far as it relates to the fees, costs, expenses, damages and claims of the Collateral Agent, and the Collateral Agent is authorised to act with the Collateral in favour of all the Noteholders and itself as far as it relates to the fees, costs, expenses, damages and claims of the Collateral Agent, in accordance with Terms and Conditions, the Collateral Agreements, the Collateral Agent Agreement and its amendments. According to Financial Instrument Market Law, the purpose of appointing a Collateral Agent is to facilitate the satisfaction of claims arising from the Notes towards the Noteholders. By exercising the rights and obligations of the Collateral Agent provided in these Terms and Conditions, the Collateral Agreements, the Collateral Agent Agreement and its amendments (if any), the Collateral Agent acts in its own name, but in the interests of the Noteholders.

21.1.9. The Issuer as the Collateral Provider may use, deal with, consume, spend, utilize and dispose of its assets pledged as the Collateral as commercial pledge in the ordinary course of business and in accordance with reasonable business practices.

21.1.10. For avoidance of doubt, if any term of these Terms and Conditions or any Noteholders Meeting decision allows any activity that also require or trigger any change (including novation) of any Collateral registration with the Public Register, the Collateral Agent, acting solely as an administrative agent of the Noteholders and without exercising discretion, as well as without Noteholders' consent, executes any required documentation or applications necessary for respective change registration (provided that before the Issuer or the Collateral Provider compensates or pays the Collateral Agent's fees and costs related with relevant change, if under these Terms and Conditions, the Collateral Agreement or the Collateral Agent Agreement, the Issuer or the Collateral Provider is obligated to pay these fees). The Collateral Agent executes necessary Collateral termination application(s) and submits respective application to the Relevant Register only if these Terms and Conditions or any Noteholders Meeting decision expressly state the termination or deletion of respective Collateral.

21.2. Parallel Debt

21.2.1. Notwithstanding any other provision of these Terms and Conditions, for the purpose of ensuring and preserving the enforceability of the Collateral or the Guarantee, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as a creditor in its own right and not as representative of the Noteholders and as a solidary/joint creditor together with the Noteholders for the purposes of the Applicable Law, sums equal to and in the currency of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) in accordance with these Terms and Conditions and in case the amount falls due for payment under these Terms and Conditions. The Parallel Debt is intended to create a separate and independent secured claim in favour of the Collateral Agent, which is secured by the Collateral and the Guarantee and mirrors the payment obligations of the Issuer under the Notes.

21.2.2. For the avoidance of doubt, the aggregate amount due by the Issuer under the Parallel Debt will be decreased to the extent the Issuer has paid any amounts to the Noteholders under these Terms and Conditions.

21.2.3. For the avoidance of doubt, to the extent the Issuer has paid any amounts to the Collateral Agent under the Parallel Debt, the aggregate amount due by the Issuer to the Noteholders under these Terms and Conditions will be decreased accordingly.

21.2.4. To the extent the Collateral Agent receives any amount in payment of the Parallel Debt, the Collateral Agent shall apply such amounts in accordance with Section 23.4 (*Application of the proceeds from enforcement of the Collateral or the Guarantee*).

21.2.5. For the avoidance of doubt, the Parallel Debt shall become due and payable at the same time and to the same extent as the obligations of the Issuer to the Noteholders under these Terms and Conditions have become due and payable.

22. SUBORDINATION

22.1. On or before the Issue Date, the Issuer, the Shareholder, Merito Fund and the Collateral Agent shall enter into the Subordination Agreement.

22.2. The Issuer shall ensure that each Subordination Agreement remains in full force and effect and is not amended, restated, terminated or released without the prior written consent of the Majority Noteholders.

22.3. According to the Subordination Agreement, so long as any Notes remain outstanding, without the prior written consent of the Majority Noteholders:

22.3.1. the Issuer or the Shareholder, as applicable, shall not be allowed to make any payments to the Subordinated Creditor for the purpose of repaying the principal, interest or any other amounts under the Subordinated Loan, other than a Permitted Subordinated Payment;

22.3.2. the Subordinated Creditor shall not be entitled to demand, claim or receive any payments (in whole or in part) in respect of the Subordinated Loan, or to exercise any set-off that would result in a reduction of the principal or interest of the Subordinated Loan, other than a Permitted Subordinated Payment.

22.3.3. the Subordinated Creditor shall not assign to any third party any claims arising from the Subordinated Loan against the Issuer or the Shareholder, as applicable, except as permitted under the Subordination Agreement.

23. COLLATERAL AGENT

23.1. Noteholders and the Collateral Agent

23.1.1. By submitting a subscription order or acquiring the Notes on the secondary market, each Noteholder:

(a) appoints the Collateral Agent to act as its agent and to perform the obligations and exercise the rights in connection with the Collateral or the Guarantee as set forth in these Terms and Conditions, the Collateral Agreements, the Guarantee and the Collateral Agent Agreement, and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under or in connection with these Terms and Conditions, the Collateral Agreements, the Guarantee and the Collateral Agent Agreement;

(b) acknowledges that the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent;

(c) confirms the fact that the Collateral Agent's acting under the Collateral Agent Agreement, the Guarantee, the Collateral Agreement or other agreements in connection with the Notes concluded with the Issuer does not constitute any conflict of interests with respect to the Noteholder;

(d) confirms the fact that the Collateral and the Guarantee securing, *inter alia*, the Issuer's obligations towards the Collateral Agent do not constitute any conflict of interests with the Noteholder (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent or the Trustee in accordance with these Terms and Conditions). Each Noteholder acknowledges the fact that the Collateral and the Guarantee secure, *inter alia*, the Issuer's obligations towards the Collateral Agent and the Trustee and shall not prevent the Collateral Agent from fulfilling its obligations and acting in accordance with these Terms and Conditions, the Collateral Agreement, the Guarantee and the Collateral Agent Agreement;

(e) agrees that upon the performance of its obligations and exercising of its rights in connection with the Collateral Agreement or the Guarantee, the Collateral Agent shall be entitled to act at its own discretion, considering the interests of the Noteholders collectively and generally (and not of any particular Noteholder), unless specifically instructed otherwise by the Majority Noteholders in accordance with these Terms and Conditions and without prejudice to Section 23.5 (*Liability of the Collateral Agent*);

(f) agrees that the Collateral Agent has only such functions, obligations and liability as expressly set forth in these Terms and Conditions, the Collateral Agreement, the Guarantee and the Collateral Agent Agreement, and that upon the performance of its obligations and exercising of its rights in connection with the Collateral or the Guarantee, the Collateral Agent is entitled to act at its discretion, considering the collective interests of the Noteholders;

(g) expressly acknowledges that neither the Collateral Agent nor any of his employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Collateral Agent hereinafter taken, including any review of the affairs of the Issuer or any of its affiliates, shall be deemed to constitute any representation or warranty by the Collateral Agent to any such person. Each of the Noteholders represents to the Collateral Agent that it has, independently and without reliance upon the Collateral Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, operations, property, financial and other condition and creditworthiness of the Issuer and its affiliates, and made its own decision to acquire the Notes.

23.1.2. By submitting a subscription order or acquiring the Notes on the secondary market, each private individual or legal entity, as well as their authorized representatives upon the request of the Collateral Agent are obliged to disclose to the Collateral Agent all information and documents on these private individuals or the legal entities, as well as their authorized representatives, and the Collateral Agent is entitled to receive this information and documents for the purposes of performance of duties of the Collateral Agent. This information and documents also include those documents and information that are necessary to the Collateral Agent in order to fulfil the Collateral Agent's obligations under AML and Sanctions regulations (e.g., information and documents on the ultimate beneficial owner).

23.2. Scope of Obligations of the Collateral Agent

23.2.1. The functions and obligations of the Collateral Agent are limited to those expressly specified in the Collateral Agent Agreement, the Guarantee, the Collateral Agreements and these Terms and Conditions and, notwithstanding any other provisions of these Terms and Conditions, such functions are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral or the Guarantee. The Collateral Agent is required to perform its obligations in relation to the Collateral or the Guarantee only if the Collateral Providers establish the Collateral or the Guarantee in the interests of the Noteholders and the Collateral Agent, as far as it relates to the fees, costs, expenses, damages and claims of the Collateral Agent, and under the name of the Collateral Agent (as the holder of the Collateral or the Guarantee) in accordance with these Terms and Conditions to secure the Notes.

23.2.2. The Collateral Agent does not have any obligation or right (without limiting in any manner the Collateral or the Guarantee enforcement by the Collateral Agent under the Collateral Agreements, the Guarantee or Applicable Laws):

(a) unless otherwise instructed by the Majority Noteholders, to take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under these Terms and Conditions in connection with any assets of the Collateral Providers, except for enforcing the Collateral or the Guarantee in accordance with these Terms and Conditions, the Collateral Agreements and the Collateral Agent Agreement upon the Collateral or the Guarantee becoming enforceable and upon receiving the relevant Instruction from the Majority Noteholders;

(b) to ensure the existence, enforceability or validity of the Collateral or the Guarantee or to preserve the Collateral or its value or to assess any rights arising from or relating to the Collateral or the Guarantee (except for the validity of the Collateral after its establishment to the extent within the control or sphere of influence of the Collateral Agent and to the extent within the scope of its obligations under these Terms and Conditions, the Collateral Agent Agreement or the relevant Collateral Agreement) or to preserve the Guarantee. Without prejudice to the aforementioned, the Collateral Agent shall not be liable for any matter relating to or affecting the validity of the Collateral Agreement or the Guarantee that is outside the control or sphere of influence of the Collateral Agent, *inter alia*, the Collateral Agent shall not be liable for any risks associated with the validity and enforceability or establishment of the Collateral or the Guarantee under the Parallel Debt arrangement;

(c) to inform the Noteholders and the Issuer about any circumstances relating to the Collateral or the Guarantee except to the extent such obligation to provide information is explicitly set forth in these Terms and Conditions, the Collateral Agent Agreement, the Collateral Agreements or the Guarantee;

(d) to provide any advice to the Noteholders in legal, accounting, tax or other matters; and

(e) to monitor whether the Issuer complies with any provisions of these Terms and Conditions or any Financial Covenant, as well as the correctness and completeness of any statements that the Issuer submits to the Collateral Agent.

23.2.3. The Noteholders shall not have any independent power to enforce the Collateral or the Guarantee or to exercise any rights or powers arising under the Collateral Agreements, the Guarantee or the Collateral Agent Agreement. The Noteholders may exercise their rights in relation to the Collateral or the Guarantee only through the Collateral Agent pursuant to these Terms and Conditions.

23.2.4. Upon the performance of its obligations and exercising its rights, the Collateral Agent shall act at its own discretion in the interests and on the account of the Noteholders collectively, and generally in the interests of the Noteholders as a class and not of any particular Noteholder, without having any independent interests of its own, except for its rights to fees, costs, expenses, damages, indemnities and claims under these Terms and Conditions, the Collateral Agent Agreement, the Collateral Agreements and the Guarantee. For the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 23.2.10 below. The Collateral Agent shall not be obliged to consider the interests of the Issuer when acting in connection with enforcement of the Collateral or the Guarantee, and the Issuer shall have no right to give any instructions to the Collateral Agent in relation to such enforcement. In particular, in accordance with these Terms and Conditions, the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Noteholders upon failure to obtain instructions from the Majority Noteholders. However, the Collateral Agent shall not start the enforcement of the Collateral or the Guarantee without the relevant Instruction provided by the Majority Noteholders as described in these Terms and Conditions.

23.2.5. The Collateral Agent is under no circumstances liable for the performance of the obligations of the Issuer or for inability, restrictions, delay or failure to enforce the Collateral or the Guarantee in accordance with these Terms and Conditions or any restrictions or delays thereof.

23.2.6. Upon the performance of its obligations and exercising of its rights hereunder, the Collateral Agent shall have the right, at the Issuer's cost, to use the services of third parties and to appoint third-party representatives (including, during the performance of its tasks and acts as stipulated in these Terms and Conditions, the Collateral Agreement or the Guarantee), provided that the terms on engagement of third persons stated in these Terms and Conditions are followed. In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall evaluate and appoint only reputable third parties having professional expertise for the fulfilment of the tasks and acts as stipulated in these Terms and Conditions. In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall also ensure that: (i) no conflict of interest exists in respect of the Issuer and the Majority Noteholders to the extent reasonably possible and to the extent it is not contradictory to Applicable Law; (ii) the fees, costs and expenses of such third-party services are at a reasonable market price; (iii) the fees, costs and expenses for using the services of third parties and/or appointment of third-party representatives would not exceed costs, fees and expenses of the Collateral Agent if the latter would perform its obligations under these Terms and Conditions, the Collateral Agreement, the Guarantee and the Collateral Agent Agreement on its own; and (iv) it remains a duty and obligation of the Collateral Agent to perform its obligations under these Terms and Conditions and not of the appointed third-party. In case the use of services of third parties or appointment of third-party representatives is required for the fulfilment of obligations arising from these Terms and Conditions, including the Collateral Agreement, the Guarantee, Clause 23.2.10 is applicable. The Collateral Agent shall not be responsible for any losses and damage caused by the acts and omissions by third parties.

23.2.7. At the request of the Collateral Agent, the Noteholders shall provide the Collateral Agent with any information required for the purposes of identification of the Noteholders and/or for the performance of other obligations arising from the Applicable Laws. The Noteholders hereby authorize the Collateral Agent to represent the Noteholders in the scope and capacity of the Collateral Agent against any third parties.

23.2.8. At the request of the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of the Noteholders specifying the Outstanding Nominal Value of the Notes each of them is holding and their latest known email addresses, if such information is available in accordance with the respective list of the Noteholders and information contained therein as provided by Nasdaq CSD. In case the Issuer does not provide the information specified in this Clause to the Collateral Agent in due course, or if the information provided by the Issuer to the Collateral Agent is not sufficient for performance of its obligations hereunder, the Collateral Agent shall have the right (and, upon signing this Offering Memorandum, the Issuer authorises the Collateral Agent to do it) to request the information relating to the Noteholders specifying the Outstanding Nominal Value of the Notes each of them is holding and their latest known email addresses directly from Nasdaq CSD.

23.2.9. The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral Agreement or the Guarantee that are outside the control or sphere of influence of the Collateral Agent. This includes, but is not limited to, any deficiencies in the creation, registration, or maintenance of the Collateral or the Guarantee, or any external factors such as changes in law, regulatory actions, or third-party actions or omissions that may impair the Collateral's or the Guarantee's validity or enforceability. The Collateral Agent shall bear no responsibility for monitoring, verifying, or ensuring the sufficiency or legality of the Collateral or the Guarantee, except as expressly required by these Terms and Conditions and the Collateral Agent Agreement.

23.2.10. The Collateral Agent shall have the right to request to receive fees from the Issuer in advance and/or to be compensated by the Issuer for those costs that are necessary relating to the performance of its obligations under these Terms and Conditions in accordance with the Collateral Agent Agreement and shall have the right to withhold the performance of its duties and obligations in case of any delay of payment of the relevant fees and costs. As regards the costs, the Issuer shall also compensate the Collateral Agent for all payments made by the Collateral Agent to third parties for the purposes of establishment (registration), amendment, deletion, alienation and enforcement of the Collateral or the Guarantee in accordance with these Terms and Conditions, the Collateral Agreement and the Guarantee (including, without limitation, state fees and taxes, other fees and payments established by Applicable Laws, costs and expenses that are necessary and incurred by the Collateral Agent), as well as all damages incurred by the Collateral Agent in relation to the same. This provision prevails over any conflicting provision in these Terms and Conditions. If the Collateral Agent has withheld the performance of its duties and obligations pursuant to this clause and the Issuer has failed to pay these costs and fees within 5 (five) Business Days as of the day the Collateral Agent has notified the Issuer that it is withholding its rights and obligations, any of the Noteholder (or Noteholders group) has the right, but not the obligation, to compensate these fees or costs, and such compensation amounts are included in the amounts that are satisfied from the Collateral or the Guarantee enforcement proceeds pursuant to Clause 23.4.1.

23.2.11. Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth in these Terms and Conditions. All notices of the Noteholders to the Collateral Agent shall be sent in writing (by letter or email) to the Collateral Agent and copied to the Issuer, the Trustee and the Arranger. If the Collateral Agent has doubts that a notice from a Noteholder has not been sent to the Issuer, the Trustee or the Arranger, then the Collateral Agent shall immediately forward such notice to the Issuer, the Trustee or the Arranger (as applicable).

23.2.12. The Collateral Agent has the right to terminate the Collateral Agent Agreement by providing at least 20 (twenty) Business Days prior written notice to the Issuer and the Trustee in case: (a) the relevant Collateral or the Guarantee has not been established or provided within the term stipulated in Clauses 21.1.4 and 20.4 (as applicable) or within 10 calendar days following the Issue Date (except for mortgages); and/or (b) the Collateral Agent resigns pursuant to Clause 23.6.1. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of the Collateral Agent Agreement. In any case, the duties and obligations of the retiring Collateral Agent shall be deemed to have terminated upon fulfilment of the conditions set out in Clause 23.6.9.

23.2.13. The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Notes issue and in case the Collateral Agent is dismissed pursuant to Clause 23.6.9.

23.3. **Enforcement of the Collateral or the Guarantee**

23.3.1. Upon receipt of a notification by the Issuer that pursuant to 15.1 or 15.3 the Notes are accelerated and the Issuer is obligated to pay to all Noteholders, *pro rata*, the Nominal Value of the Notes together with the accrued and unpaid Coupon and default interest or contractual penalty, as applicable. The Issuer, within 20 (twenty) Business Days, has the right (not obligation) to submit to the Noteholders and the Trustee the proposed action plan in respect of the claim settlement and/or restructuring of the Issuer's obligations under the Notes ("**Action Plan**"). The Trustee shall act in accordance with Section 25 (*Noteholders' Meetings and Decisions*), and the Majority Noteholders shall vote for the approval of the Action Plan.

23.3.2. If the Majority Noteholders have not approved the Action Plan or the Action Plan is not submitted to the Noteholders and the Trustee in accordance with Clause 23.3.1, the Majority Noteholders shall vote on whether to instruct the Collateral Agent to enforce any of the Collateral or the Guarantee ("**Instruction**").

23.3.3. The Noteholders agree that the Collateral Agent will enforce the Collateral or the Guarantee upon receipt of the Instruction. The Instruction shall be clear, specific, and in full compliance with the terms and conditions set forth in the Terms and Conditions, the Collateral Agreements, the Guarantee and the

Collateral Agent Agreement. The Instruction shall specify, at a minimum, whether enforcement is to be pursued against the Collateral, the Guarantee or both, the relevant Collateral or Guarantee to be enforced, the proposed enforcement method or requested action, and any relevant authorisations, limitations or priorities.

23.3.4. If the Majority Noteholders in accordance with Clause 22.3.2 have provided the Instruction to the Collateral Agent, the Collateral Agent shall immediately notify (by letter or email or by publishing information at the Collateral Agent's website) the Collateral Providers, the Guarantor, the Issuer and the Noteholders of receipt of the Instruction, provided that the Collateral Agent has the relevant contact details of the Noteholders, and the Issuer shall publish the received information on the Communication Channels.

23.3.5. Upon receipt of the Instruction, the Collateral Agent shall commence enforcement of the Collateral or the Guarantee in accordance with the Applicable Laws, the Collateral Agreements, the Guarantee and the Collateral Agent Agreement and the Instruction.

23.3.6. The Collateral Agent may rely on the assumption that the Issuer has performed its obligations under the Notes in accordance with these Terms and Conditions until the Majority Noteholders have adopted the Action Plan or it has received the Instruction. The Collateral Agent shall have no duty to enquire, investigate or verify whether any Action Plan, Instruction or other direction is valid, accurate, complete or in the best interests of Noteholders, and may act on the basis of any notice/certificate it receives without further investigation.

23.3.7. The Collateral Agent shall be entitled (but shall not under any circumstances be obliged) to request instructions, or clarification of any direction regarding the Instruction from the Majority Noteholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral or the Guarantee. Upon such request, the Majority Noteholders shall give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications, provided that such time period is to be at least 2 (two) Business Days. The Collateral Agent may refrain from acting unless and until the Majority Noteholders have provided the Collateral Agent with the requested instructions or clarifications. For the avoidance of doubt, the Collateral Agent shall not incur any liability, and the Noteholders hereby waive any claims against the Collateral Agent, for any actions taken or omitted in reliance on the instructions or lack of instructions from the Noteholders, or for any delays in taking action resulting from the Noteholders' failure to provide timely instructions or clarifications, except in case of the Collateral Agent's wilful misconduct or gross negligence. The Majority Noteholders may further authorise the Trustee or a specific Noteholder or the Noteholders' group to provide such instructions or clarifications of the directions to the Collateral Agent without obtaining further Majority Noteholders instruction or clarification. The Trustee shall notify the Collateral Agent about such Majority Noteholders' authorisation, following which the Collateral Agent may approach directly the respective authorised person.

23.3.8. Upon enforcement of the Collateral or the Guarantee, the Collateral Providers or the Guarantor shall transfer any amounts arising out of the Collateral or the Guarantee to the Collateral Agent and no payments shall be made by the Collateral Providers or the Guarantor directly to any of the Noteholders. If any such payments have been made by the Collateral Providers or the Guarantor to any of the Noteholders, the Noteholders shall return such payments to the Collateral Agent who shall apply the proceeds from enforcement according to these Terms and Conditions.

23.4. Application of the Proceeds from Enforcement of the Collateral or the Guarantee

23.4.1. The proceeds from the enforcement of the Collateral or the Guarantee shall be applied by the Collateral Agent in the following order of priority:

(a) as the first priority: to the satisfaction and payment of all fees, costs, expenses, claims, indemnities, liabilities and damages (including, without limitation, state duties, notary fees, valuation costs and fees, costs and expenses of third parties engaged by the Collateral Agent pursuant to conditions set out, *inter alia*, in Clauses 23.2.6 and 23.2.10, related to performance of its duties by, or otherwise payable to, the Collateral Agent under these Terms and Conditions, the Collateral Agent Agreement, the Collateral Agreements and the Guarantee, including, but not limited to, the enforcement of the Collateral or the Guarantee, representation of the Noteholders (negotiation with the Issuer in the name of the Noteholders and execution of decisions adopted by Noteholders', reporting to Noteholders or the Trustee regarding protection of the Noteholders' interests) incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, provided that the fees, costs and expenses have been incurred at reasonable market rates;

(b) as the second priority: to the extent not already covered under paragraph (a), (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the Event of Default or the protection of the Noteholders' rights as may have been incurred by the Trustee, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any costs and expenses incurred by the Trustee that have not been reimbursed by the Issuer in relation to a Noteholders' Meeting or Procedure in Writing;

(c) as the third priority: after full satisfaction, payment and deduction of all claims and amounts set forth in paragraphs (a) and (b) above, in payment of the claims of the Noteholders arising under these Terms and Conditions, including, but not limited to, the claims arising from the Notes; and

(d) as the fourth priority: any surplus remaining after full satisfaction of all amounts set out in paragraphs (a) to (c) above shall be returned to the relevant Collateral Provider, the Guarantor or any other person entitled thereto under Applicable Laws and the relevant Collateral Agreement or Guarantee.

23.4.2. The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims specified in Clause 23.4.1(a) and Clause (b) and shall immediately transfer the remaining proceeds to the Noteholders through the intermediary of Nasdaq CSD in accordance with the applicable regulations of Nasdaq CSD for satisfying the claims under Clause 23.4.1(c), as well as immediately transfers to respective Noteholder(s) amounts paid or compensated by the relevant Noteholder(s) in accordance to Clause 23.2.10 or 23.5.2. The Collateral Agent immediately transfer the funds as per Clause 23.4.1(b) to the Trustee to the account indicated by the Trustee. The Collateral Agent shall immediately return to the Collateral Providers the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Clause 23.4.1.

23.4.3. In case the proceeds remaining after covering the fees, costs, expenses, damages and claims under Clauses 23.4.1(a) and (b) do not cover the claims of the Noteholders under Clause 23.4.1(c) in full, these claims of the Noteholders shall be satisfied *pro rata* to the Nominal Value of the Notes held by the Noteholders on the relevant record date.

23.4.4. The Collateral Agent is not obliged to pay to the Noteholders or any other persons any interest on the proceeds from the enforcement of the Collateral or the Guarantee (whether deposited or not).

23.4.5. In case the Collateral Agent is required, under the Applicable Laws, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Collateral Agent.

23.5. Liability of the Collateral Agent

23.5.1. If the Majority Noteholders have submitted an Instruction to the Collateral Agent, the Collateral Agent is obligated to comply with the Instruction and enforce the Collateral or the Guarantee in accordance with Section 23.3 (*Enforcement of the Collateral or the Guarantee*). Any such Instruction from the Majority Noteholders will be binding on all Noteholders. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the Instruction, except to the extent caused by the Collateral Agent's wilful misconduct or gross negligence.

23.5.2. The Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to the Terms and Conditions, the Collateral Agreement, the Guarantee, the Collateral Agent Agreement or Applicable Laws or otherwise render it liable to any person. Additionally, the Collateral Agent is entitled not to act in accordance with the instructions of the Majority Noteholders until it has received such indemnification or security as it may reasonably and acting in good faith require for all costs, claims, losses, expenses (including, but not limited to, legal fees) and liabilities which it will or may expend or incur in complying with such instructions. If the any Noteholder (or Noteholders group) has agreed to pay (and has paid) respective costs, claims, losses or expenses, then such paid amounts are included in the amounts that are satisfied in the Collateral or the Guarantee enforcement pursuant to Clause 23.4.1.

23.5.3. The Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its own discretion reasonably believes is in the best interests of the Noteholders unless respective action by the Collateral Agent is expressly instructed by the Majority Noteholders. The Collateral Agent shall not be liable to the Noteholders for acting (or refraining from acting) and shall not be liable to the Noteholders for the outcome of the enforcement of the Collateral or the Guarantee, provided that the Collateral Agent has acted in accordance with these Terms and Conditions, the Collateral Agent Agreement, the Guarantee and the Collateral Agreement, except for losses, damages, costs and expenses incurred by the Noteholders, the Trustee and/or the Collateral Providers or the Guarantor due to wilful misconduct or gross negligence by the Collateral Agent. The liability of the Collateral Agent is limited to EUR 300,000.00 (three hundred thousand euro), except in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.

23.5.4. The Collateral Agent may, without any duty to account to any Noteholder or any other person provide legal, advisory or other services to, and generally engage in any kind of advisory with, the Issuer, the Shareholder, the Guarantor, any Collateral Provider, any Related Party, including, for the avoidance of doubt, as legal adviser to the Issuer or any other party in any unrelated matter.

23.6. Replacement of the Collateral Agent

23.6.1. Subject to Clause 23.6.9, the Collateral Agent may resign by giving notice to the Issuer, the Noteholders and the Trustee, in which case the Majority Noteholders shall appoint a successor Collateral Agent at a Noteholders' Meeting or by way of the Procedure in Writing.

23.6.2. Subject to Clause 23.6.9, if the Collateral Agent is insolvent, the Collateral Agent shall be deemed to resign as Collateral Agent and the Issuer shall, unless a successor Collateral Agent has already been appointed by the Majority Noteholders, within 10 (ten) Business Days appoint a successor Collateral Agent which shall correspond to the requirements provided in Clause 23.6.6.

23.6.3. The Issuer shall without undue delay inform the Noteholders of receipt of the notice of resignation from the Collateral Agent by publishing a relevant notice on the Communication Channels, as well as inform the Trustee about such receipt.

23.6.4. The Noteholders who, on the day of the request, collectively hold at least 1/10 (one-tenth) of the aggregate Nominal Value of all outstanding Notes (other than the Notes held by the Issuer, its direct or indirect shareholders and the Related Parties) may, by notice to the Trustee and the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Collateral Agent and appointing a new Collateral Agent. The Trustee may, at a Noteholders' Meeting or by way of the Procedure in Writing initiated or convened by it, propose to the Noteholders that the Collateral Agent be dismissed and a new Collateral Agent appointed. If the Event of Default has occurred and is continuing, the Majority Noteholders may decide on the Collateral Agent replacement without the Issuer's consent.

23.6.5. If the Majority Noteholders have not appointed a successor Collateral Agent within 90 (ninety) calendar days after:

(a) the earlier of the notice of resignation was given or the resignation otherwise took place; or

(b) the Collateral Agent was dismissed through a decision by the Majority Noteholders,

the Issuer shall within 30 (thirty) days thereafter appoint a successor Collateral Agent which shall correspond to the requirements provided in Clause 23.6.6. The Issuer shall not be liable for any delay in the appointment of a successor Collateral Agent to the extent such delay is caused by the failure of candidates to accept the appointment, the failure of the retiring Collateral Agent, Trustee or Noteholders to provide required information or approvals, registration requirements, public register processing times, or other circumstances outside the Issuer's reasonable control.

23.6.6. The successor Collateral Agent shall be a reputable person authorized to act with the Collateral or the Guarantee in favour of all the Noteholders in accordance with these Terms and Conditions, the Collateral Agreement, the Guarantee and the Collateral Agent Agreement, who has a professional experience in capital markets transactions and expertise for the fulfilment of the tasks as a collateral agent. The Collateral Agent's professional liability shall be insured in the course of performance of Collateral Agent's functions.

23.6.7. The retiring Collateral Agent shall, at its own cost to the extent it retires voluntarily pursuant to Clause 23.6.1, make available to the successor Collateral Agent such documents and records and provide such assistance as the successor Collateral Agent may reasonably request for the purposes of performing its functions as Collateral Agent under these Terms and Conditions. If the Collateral Agent is removed or replaced other than by its own decision to retire and unless such removal or replacement results from the Collateral Agent's gross negligence or wilful misconduct, all reasonable and properly documented costs incurred in making such documents and records available and in providing such assistance shall be borne by the Issuer only to the extent such costs have been approved by the Issuer in advance, such approval not to be unreasonably withheld or delayed (or such other party as may have initiated the replacement).

23.6.8. The Issuer shall execute such documents and take such actions as the new Collateral Agent may reasonably require for the purpose of vesting in such new Collateral Agent the rights, powers and obligations of the Collateral Agent and releasing the retiring Collateral Agent from its further obligations under these Terms and Conditions and the Collateral Agent Agreement. Unless the Issuer and the new Collateral Agent agree otherwise, the new Collateral Agent shall be entitled to the same fees and the same indemnities as the retiring Collateral Agent, provided that the Issuer shall not be required to agree to any materially higher fees, broader indemnities or more onerous terms than those applicable to the retiring Collateral Agent unless approved by the Issuer and the Majority Noteholders.

23.6.9. The Collateral Agent resignation or dismissal shall only take effect upon the appointment of a successor Collateral Agent and acceptance by such successor Collateral Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Collateral Agent, including, for the avoidance of doubt, registration of all necessary amendments to the Collateral with the relevant Public Register to ensure that the Collateral is established and maintained in the interests of the Noteholders and under the name of the successor Collateral Agent (as the holder of the Collateral (pledgee)) in accordance with Clause 21.1. The Issuer shall use commercially reasonable efforts to assist with such substitution but shall not be responsible for any delay or failure caused by the retiring Collateral Agent, the successor Collateral Agent, the Trustee, the Noteholders, any public authority, registry, Nasdaq CSD or any other third party.

23.6.10. Upon the appointment of a successor, the retiring Collateral Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Collateral Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Collateral Agent. Any accrued rights and obligations of the Issuer, the retiring Collateral Agent, the Trustee and the Noteholders existing prior to the effective date of replacement shall remain unaffected.

23.7. Release of the Collateral

23.7.1. The Collateral Agent is obliged to submit to the relevant Public Register an application duly executed by the Collateral Agent for deletion of the entries made in respect of the Collateral within 5 (five) Business Days from the date when the Issuer's obligations under the Notes have been fully discharged. The Issuer shall be obligated to inform the Collateral Agent in writing without undue delay of the full discharge of its obligations under the Notes.

23.7.2. If for any reason (including Refinancing) the repayment or redemption of the Notes is arranged through an escrow account, the Collateral Agent is obliged to provide to the Issuer an application duly executed by the Collateral Agent for deletion of the entries made in the relevant Public Register in respect of the Collateral, if the following preconditions have been met:

(a) the Collateral Agent has received a copy of an escrow account agreement which, among other, provides that the funds deposited in the escrow account shall be transferred to the Noteholders through the intermediary of Nasdaq CSD for the purposes of discharging the Issuer's obligations under the Notes, and submission to the Issuer of an application for deletion of the entries made in the relevant Public Register in respect of the Collateral is a precondition for the release of funds from the escrow account, unless the Collateral Agent is a party to such agreement pursuant to Clause 23.7.3;

(b) the Collateral Agent has received a copy of the bank's, which holds an escrow account, confirmation about the amount of funds deposited with the escrow account, and such amount is sufficient to discharge the Issuer's obligations under the Notes; and

(c) if applicable, the Collateral Agent has verified that all other preconditions for release of the funds from the escrow account have been fulfilled.

23.7.3. If the Issuer requests the Collateral Agent to conclude a Refinancing agreement (such as a refinancing agreement or escrow account agreement), the Collateral Agent shall conclude such agreement without Noteholders' consent, provided that (i) the respective refinancing agreement contains typical market refinancing provisions (including obligations for the Collateral Agent to issue consents for lower ranking collaterals); (ii) any release of any Collateral or the Guarantee by the Collateral Agent shall be effective only concurrently with the irrevocable and unconditional payment in full of all amounts outstanding under the Notes or immediately thereafter (i.e., within a reasonable time period after) such payment.

24. NOTEHOLDERS' MEETINGS AND DECISIONS

24.1. General Provisions

24.1.1. The decisions of the Noteholders (including decisions on amendments to these Terms and Conditions, the Collateral Agreements, the Guarantee, on termination of the Collateral Agent Agreement or the Trustee Agreement (and consequently designate a new collateral agent or a new trustee (if applicable)), granting of consent, waiver or instructions to the Collateral Agent) shall be passed at the Noteholders' Meeting or by way of a Procedure in Writing, at the choice of the Trustee. However, the Trustee shall have the right to amend the technical procedures relating to the Notes (including any manifest errors or other inconsistencies) without a decision of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders and do not impose any additional material obligation on the Issuer, the Trustee, the Collateral Agent or any Noteholder.

24.1.2. The Trustee shall have the right to convene a Noteholders' Meeting or instigate a Procedure in Writing at any time, and the Trustee shall do so following a written request from the Issuer, the Collateral Agent or Noteholders who, on the day of the request, collectively hold in aggregate the Notes with the Nominal Value representing at least 1/10 (one-tenth) of the aggregate Nominal Value of all outstanding Notes (other than the Notes held by the Issuer, its direct or indirect shareholders and the Related Parties). As a general rule, the Noteholders' Meeting or the Procedure in Writing is convened or instigated by a decision of the Trustee. The Trustee shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Procedure in Writing, unless and to the extent it contains information provided by the Trustee.

24.1.3. The Trustee may refrain from convening a Noteholders' Meeting or instigating a Procedure in Writing if (i) the suggested decision does not fall under the competence of the Noteholders, or (ii) the suggested decision is not in accordance with the Applicable Laws, these Terms and Conditions or any other Note document.

24.1.4. Quorum at the Noteholders' Meeting or in respect of the Procedure in Writing only exists if one or more Noteholders holding 50% (fifty per cent) in aggregate or more of the Nominal Value of the Notes outstanding and eligible to vote:

(a) if at a Noteholders' Meeting, attend the meeting; or

(b) if in respect of a Procedure in Writing, reply to the request.

If the Issuer, its direct or indirect shareholders or the Related Parties are the Noteholders, their Nominal Value of the Notes will be excluded when quorum and voting results are calculated.

24.1.5. If quorum does not exist at the Noteholders' Meeting or in respect of a Procedure in Writing, the Trustee shall convene a second Noteholders' Meeting or instigate a second Procedure in Writing, as the case may be. The quorum requirement set out in Clause 24.1.4 above shall not apply to such second Noteholders' Meeting or Procedure in Writing, except for exclusion of the Issuer, its direct and indirect shareholders and the Related Parties from calculation of quorum and voting results.

24.1.6. Consent of the Majority Noteholders is required for any agreement with the Issuer to amend Clause 3.1, Section 4 *(Applicable Law and Dispute Resolution*), Section 7 (*Status of the Notes*), 11 (*Coupon*), Section 12 (*Repayment of the Notes),* Section 13 (*Financial covenants)*, Section 14 (*Undertakings*), Section 15 (*Events of Default*), 20 (*Guarantee), Section* 21 *(Collateral),* Section 21.2 (*Parallel Debt*), Section 22 (*Collateral Agent)*, Section 24 *(Noteholders Meetings and Decisions*), as well as for enforcement of the Collateral or the Guarantee, approval of an Action Plan, any material release, amendment or replacement of the Collateral or the Guarantee, and any waiver or consent which would have substantially the same economic effect as an amendment of any of the foregoing provisions.

24.1.7. Consent of the Majority Noteholders is required for the following decisions:

(a) agreement with the Issuer to change the date, or the method of determining the date, for the payment of principal, interest or any other amount in respect of the relevant Issues, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the relevant Issue or to change the method of calculating the amount of interest or any other amount payable on any date in respect of the relevant Issue;

(b) agreement with the Issuer to change the currency of the Issue.

24.1.8. Consent of simple majority of all Noteholders attending the Noteholders' Meeting or participating in the Procedure in Writing (i.e. replying to the request) is required to the decisions not covered in Clause 24.1.6 or 24.1.7 above (as applicable).

24.1.9. In addition to respective noteholders majority consent obtained in accordance with terms and conditions of Subordinated Notes, consent of Majority Noteholders is required to amend the following terms and conditions of the Subordinated Notes: Clause 3.1, Section 4 *(Applicable Law and Dispute Resolution*), Section 7 (*Status of the Notes*), Section 11 (*Coupon*), Section12 (*Repayment of the Notes),* Section 13 (*Financial covenants)*, Section 14 (*Undertakings*), Section 15 (*Events of Default*), Clause 19.1.7, agreement to shorten the maturity date of the Subordinated Notes, or the method of determining the date for the payment of principal, interest or any other amount in respect of the Subordinated Notes issue.

24.1.10. In case convening of the Noteholders' Meeting or instigation of the Procedure in Writing is requested to the Trustee by the Collateral Agent or Noteholders, the Trustee shall be obliged to convene the Noteholders' Meeting or instigate the Procedure in Writing within 1 (one) month after receipt of the respective Collateral Agent's or Noteholders' written request.

24.1.11. All expenses in relation to the convening and holding of the Noteholders' Meeting or a Procedure in Writing shall be covered by the Issuer, provided that such expenses are reasonable, properly documented and incurred in accordance with these Terms and Conditions.

24.1.12. Only those who were appearing in Nasdaq CSD as the Noteholders by the end of the 5th (fifth) Business Day prior to convening the Noteholders' Meeting and only those who were appearing in Nasdaq CSD as the Noteholders by the end of the 5th (fifth) Business Day after publishing an announcement on instigation of the Procedure in Writing, or proxies authorised by such Noteholders, may exercise their voting rights at the Noteholders' Meeting or in the Procedure in Writing. The voting rights of the Noteholders will be determined on the basis of the Nominal Value of the Notes held on the relevant record date, excluding Notes held by the Issuer, its direct or indirect shareholders and the Related Parties.

24.1.13. Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of the Noteholders' Meeting or the Procedure in Writing as the Trustee may deem appropriate. Such regulations may include e.g. a possibility for Noteholders to vote without attending the meeting in person, holding the Noteholders' Meeting in the form of a video conference etc.

24.1.14. Prior written consent of the Collateral Agent is required for any amendment to these Terms and Conditions which (i) relates to the Collateral Agent and (ii) would materially and adversely affect the Collateral Agent's rights, protections, indemnities or limitations of liability in its capacity as collateral agent under these Terms and Conditions, any of the Collateral Agreements, the Guarantee or the Collateral Agent Agreement. The Collateral Agent's consent shall not to be unreasonably withheld or delayed and must be provided as soon as possible but not later than within 10 (ten) Business Days after the Issuer or the Trustee has submitted to the Collateral Agent the relevant request, provided that, where the proposed amendment raises issues of material legal, regulatory or structural complexity, the Collateral Agent shall notify the Issuer within such 10 business day period that additional time is required, and the consent period shall be automatically extended to 20 business days from the date of the Issuer's original request. If the Collateral Agent's consent is not provided within this 10 (ten) Business Days' period or, where applicable, the extended 20 (twenty) Business Days' period, it shall be deemed that the Collateral Agent has consented to the relevant amendments. For the avoidance of doubt, (a) nothing in this Clause shall restrict the Issuer or the Trustee from proposing or agreeing to amendments that are administrative, technical or immaterial in nature, or which do not adversely affect the Collateral Agent in any material respect, and (b) the Issuer or the Trustee shall not be in breach of this Clause to the extent an amendment is effected by Noteholders in accordance with these Terms and Conditions without any proposal, consent or vote in favour by the Issuer or any person acting on its behalf. Any amendment made in breach of this Clause shall not be binding on the Collateral Agent to the extent of such material and adverse effect and without prejudice to any rights the Collateral Agent may have under the Collateral Agent Agreement.

24.1.15. The Issuer (upon the Trustee's request) or the Trustee (and, upon signing this Offering Memorandum, the Issuer authorises the Trustee to do it) notifies Nasdaq CSD about planned Noteholders' Meeting or the Procedure in Writing, and Nasdaq CSD further notifies Nasdaq CSD participants about planned Noteholders' Meeting or the Procedure in Writing. For the avoidance of doubt, this notification or failure to do so shall not invalidate any decision made or voting result achieved.

24.1.16. The Trustee may agree with the Issuer that the Issuer arranges the Noteholders' Meeting or the Procedure in Writing pursuant to these Terms and Conditions. Then all references to the Trustee in this Section 24 refer to the Issuer and the Issuer has the same rights and obligations as the Trustee in arranging the Noteholders' Meeting or the Procedure in Writing, except that the Issuer shall not determine any matter where these Terms and Conditions expressly require the Trustee's independent determination or decision.

24.2. **Noteholders' Decisions**

24.2.1. A Noteholders' Meeting or a Procedure in Writing may make decisions that are binding on the Noteholders on a matter relating to the Terms and Conditions, the Guarantee or the Collateral Agreements. Consent of the Majority Noteholders is required to adopt any decision, unless a different majority is expressly required under these Terms and Conditions.

24.2.2. Notes held by the Issuer, its direct or indirect shareholders and the Related Parties will not carry the right to vote at the Noteholders' Meetings or in a Procedure in Writing and will not be taken into account in determining how many Notes are outstanding for the purposes of the present Clauses of these Terms and Conditions, including for quorum, majority and participation purposes.

24.2.3. The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take any necessary actions to enforce or implement the decisions of the Noteholders' Meeting or the Procedure in Writing.

24.2.4. A matter decided at the Noteholders' Meeting or the Procedure in Writing is binding on all Noteholders, irrespective of whether they were present at the Noteholders' Meeting or participated in the Procedure in Writing, voted against the decision, abstained from voting or acquired the Notes after the relevant decision was adopted. Decisions made at the Noteholders' Meeting or in the Procedure in Writing are deemed to have been received by the Noteholders at the time when (i) they have been entered in the issue account maintained by Nasdaq CSD, or (ii) they have been notified to the Noteholders by a notice published in English on the Communication Channels (any such notice shall be deemed to have been received by the Noteholders when sent or published in the manner specified in this Clause), provided that any failure or delay in such entry or publication shall not invalidate any decision validly adopted or voting result achieved in accordance with these Terms and Conditions. In addition, the Noteholders are obliged to notify subsequent transferees of the Notes of the decisions taken at the Noteholders' Meeting or the Procedure in Writing.

24.2.5. Information about decisions taken at the Noteholders' Meeting or the Procedure in Writing shall be provided to the Noteholders in English on the Communication Channels (any such notice shall be deemed to have been received by the Noteholders when sent or published in the manner specified in this Clause). If the Issuer does not publish the information within 2 (two) Business Days after receipt of the relevant information from the Trustee, the Trustee is entitled to publish the information as per Clause 18.3.

24.3. **Meetings of the Noteholders**

24.3.1. If a decision of the Noteholders is intended to be passed at the Noteholders' Meeting, then a respective notice of the Noteholders' Meeting shall be provided to the Collateral Agent and the Noteholders in English on the Communication Channels no later than 10 (ten) Business Days prior to the meeting. If the Issuer fails to publish such notice via Communication Channel within 1 (one) Business Day after the Trustee's request, the Trustee may publish such notice pursuant to Clause 18.3. Any such notice shall be deemed to have been received by the Collateral Agent and Noteholders when sent or published in the manner specified in this Clause. Furthermore, the notice shall specify the time, place and agenda of the meeting, as well as any action required on the part of the Collateral Agent and Noteholders that will attend the meeting, unless all Noteholders eligible to vote are present or represented and unanimously agree otherwise. The Trustee shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Procedure in Writing, unless and to the extent it contains information provided by the Trustee.

24.3.2. The Noteholders' Meeting shall be held in Riga, Latvia, or, if determined by the Trustee, by video conference or other electronic means, and its chairperson shall be appointed by the Noteholders' Meeting based on the proposal from the Trustee.

24.3.3. The Noteholders' Meeting shall be organised by the chairperson appointed by the Noteholders' Meeting.

24.3.4. The Noteholders' Meeting shall be held in English.

24.3.5. Representatives of the Issuer and persons authorised to act for the Issuer may attend and speak at the Noteholders' Meeting.

24.3.6. The Collateral Agent and the Trustee shall have the rights to participate in all Noteholders' Meetings.

24.3.7. Minutes of the Noteholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted by the by the Noteholders' Meeting. The minutes shall be signed by the keeper of the minutes, who shall be appointed by the Noteholders' Meeting. The minutes shall be attested by the chairman of the Noteholders' Meeting, if the chairperson is not the keeper of the minutes, as well as by one of the persons appointed by the Noteholders' Meeting to attest the minutes. The minutes from the relevant Noteholders' Meeting shall, at the request of the Issuer, any Noteholder or the Collateral Agent, be sent to it by the Trustee.

24.4. **Procedure in Writing**

24.4.1. The Trustee may initiate the Procedure in Writing itself or through the intermediary of an authorised person (the "**Agent**").

24.4.2. If a decision of the Noteholders is intended to be passed by the Procedure in Writing, then a respective communication of the Procedure in Writing shall be provided to the Collateral Agent and the Noteholders in English on the Communication Channels. If the Issuer fails to publish such communication via Communication Channel within 1 (one) Business Days after the Trustee's request, the Trustee may publish such communication pursuant to Clause 18.3. Any such notice shall be deemed to have been received by the Noteholders when sent or published in the manner specified in this Clause. Communication to the Noteholders shall include:

(a) each request for a decision by the Noteholders;

(b) a description of the reasons for each request;

(c) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;

(d) information on where to receive a form for replying to the request (such form to include an option to vote "yes" or "no" for each request), as well as a form of a power of attorney;

(e) instructions on how to execute and submit a form for replying to the request;

(f) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 10 (ten) Business Days from the communication pursuant to this Clause) and the manner of reply; and

(g) any supporting information or documents reasonably necessary for the Noteholders to consider the proposed decision, to the extent available to the Trustee, the Issuer or the person requesting the Procedure in Writing.

24.4.3. The Noteholders shall submit signed voting forms to the Trustee or the Agent or their respective Custodian by a deadline set in the respective communication of the Procedure in Writing.

24.4.4. If the Noteholder does not notify the Trustee or the Agent about its decision on the respective matter submitted for approval within the term specified in the communication, such Noteholder shall be deemed as not having voted on the respective decision.

24.4.5. The Trustee or the Agent shall count the received votes in Procedure in Writing and notify the Noteholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the voting forms by publishing a relevant announcement on the on the Communication Channels.

24.4.6. When the requisite consents have been received in a Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired.

The Trustee shall inform the Collateral Agent on the results of the Procedure in Writing and the status of the relevant decision.

25. REPRESENTATION OF THE NOTEHOLDERS BY THE TRUSTEE

25.1. Duties of the Trustee

25.1.1. The Trustee shall represent the Noteholders in accordance with these Terms and Conditions and the Trustee Agreement.

25.1.2. When acting pursuant to these Terms and Conditions, the Trustee is always acting with binding effect on behalf of the Noteholder, and each Noteholder, by acquiring the Notes, authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including, but not limited to, the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer (except for any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Collaterals and/or the Guarantee), which shall be dealt with through the Collateral Agent in accordance with these Terms and Conditions, as well as in relation to any challenges of application of Clause 2 (*Use of Proceeds*), approval of the Issuer's compliance with undertakings set out in Clause 14 (*Undertakings*) and establishment of an Event of Default in accordance with Clause 15.2. of these Terms and Conditions. By acquiring the Notes, each subsequent Noteholder confirms such appointment and authorisation for the Trustee to act on its behalf.

25.1.3. The Trustee is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Trustee does not bind the Noteholders or the Issuer. Nothing in these Terms and Conditions shall, however, prevent the Trustee from providing legal services to the Issuer, the Noteholders or any of them under a separate engagement, subject to Applicable Laws, professional conduct rules and conflict of interest requirements.

25.1.4. Each Noteholder shall immediately upon request provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Trustee is under no obligation to represent a Noteholder which does not comply with such request.

25.1.5. The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance reasonably satisfactory to the Trustee), that the Trustee reasonably deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions, provided that the Issuer shall not be required to provide information or documents which are legally privileged, confidential to third parties, commercially sensitive, unavailable to the Issuer or prohibited from disclosure under Applicable Laws or binding contractual obligations.

25.1.6. The Trustee may act as trustee (agent) for several issues of securities or other loans issued by or relating to the Issuer and other Issuer's group companies notwithstanding potential conflicts of interest, provided that the Trustee manages any such conflicts in accordance with Applicable Laws and its internal policies.

25.1.7. When acting pursuant to these Terms and Conditions, the Trustee shall carry out its duties with reasonable care and skill in a proficient and professional manner.

25.1.8. The Trustee shall treat all Noteholders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Noteholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in these Terms and Conditions. However, if the Noteholders' Meeting has created and/or authorized an organization or person that represents the legal interests of all Noteholders or part thereof (e.g., they have established ad hoc committee), then the Trustee's communication or any related activities with such organization or person or fulfilling any instructions received from such organization or person is not treated as a breach of Trustee's obligation under these Terms and Conditions or the Trustee Agreement.

25.1.9. The Trustee is always entitled acting reasonably at the cost of the Issuer to delegate its duties to other professional parties and to engage external experts when carrying out its duties as trustee, without having to first obtain any consent from the Noteholders, the Issuer or the Collateral Agent. The Trustee shall, however, remain liable for any actions of such parties if such parties are performing duties of the Trustee under these Terms and Conditions.

25.1.10. The Issuer shall, on demand by the Trustee, pay all reasonable and properly documented costs for external experts engaged by it:

(a) after the occurrence of an Event of Default;

(b) for the purpose of investigating or considering: (i) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default; or (ii) a matter relating to the Issuer or these Terms and Conditions the Trustee reasonably believes may be detrimental to the interests of the Noteholders under these Terms and Conditions;

(c) in connection with any Noteholders' Meeting or Procedure in Writing (unless the Noteholders' Meeting or Procedure in Writing is arranged by the Issuer); and

(d) in connection with any amendment (whether contemplated by these Terms and Conditions or not) or waiver under these Terms and Conditions, provided that such costs have been approved by the Issuer in advance where reasonably practicable, such approval not to be unreasonably withheld or delayed, except in urgent situations following an Event of Default where prior approval is not reasonably practicable.

25.1.11. Other than as specifically set out in these Terms and Conditions or the Trustee Agreement, the Trustee shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the financial condition of the Issuer and the Company, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under these Terms and Conditions, the Collateral Agreements, the Guarantee or the Collateral Agent Agreement, or (iv) whether any other event specified in these Terms and Conditions has occurred or is expected to occur, and should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.

25.1.12. Notwithstanding any other provision of these Terms and Conditions to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any Applicable Law, regulation, court order, contractual obligation binding on the Trustee or professional conduct rule applicable to the Trustee.

25.1.13. If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require. Any of the Noteholders (or Noteholders' group) has the right, but not the obligation, to compensate these fees or costs and such compensation amounts are included in the amounts that are satisfied in the Collateral or the Guarantee enforcement pursuant to Clause 23.4.1. (b) (as the Trustee's costs), provided that such amounts are reasonable, properly documented and incurred in connection with the Trustee's duties under these Terms and Conditions. The Trustee shall give notice to the Noteholders:

25.1.14. before it ceases to perform its obligations under these Terms and Conditions or the Trustee Agreement by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under these Terms and Conditions or the Trustee Agreement; or

25.1.15. if it refrains from acting for any reason described in this Clause 25.1.13.

25.1.16. The Trustee shall, if applicable, enter into agreement with the Nasdaq CSD, and comply with such agreement and the applicable regulations of the Nasdaq CSD, as may be necessary in order for the Trustee to carry out its duties under these Terms and Conditions, provided that the Trustee is not required to assume any payment, funding, credit, settlement or other substantive obligation not customary for a trustee acting in such capacity. The Issuer shall provide all necessary assistance and authorisation for the Trustee to enter into such agreement.

25.1.17. The Trustee shall (i) review each Compliance Certificate included in the Financial Report to determine that it meets the requirements set out in these Terms and Conditions and as otherwise agreed between the Issuer and the Trustee, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 14(u) and 14(v) or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. For the avoidance of doubt, the Trustee shall only perform the review of Compliance Certificate described hereunder only to the extent the information provided in each Compliance Certificate corresponds to these Terms and Conditions, financial statements delivered pursuant to Clause 14(u) and 14(v) or other relevant documents supplied together with the Compliance Certificate. The Trustee shall not be required to audit, independently verify, recalculate or investigate the accuracy, completeness or correctness of any financial information, assumptions, valuations or calculations provided by the Issuer.

25.1.18. The Trustee shall neither be liable to the Issuer or the Noteholders for damage due to any documents and information delivered to the Trustee, including the Compliance Certificate, not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

25.1.19. The Issuer shall, upon request and within a reasonable time having regard to the volume and nature of the information requested, provide the Trustee with any documents and other assistance (in form and substance reasonably satisfactory to the Trustee), that the Trustee reasonably deems necessary for the purpose of exercising its rights and/or carrying out its duties under the these Terms and Conditions and the Trustee Agreement, subject to the limitations set out in Clause 25.1.5.

25.2. Liability of the Trustee

25.2.1. The Trustee will not be liable to the Noteholders or the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Trustee shall never be responsible for indirect or consequential loss.

25.2.2. The Trustee shall not be considered to have acted negligently if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

25.2.3. The Trustee shall have no liability to the Issuer or the Noteholders for damage caused by the Trustee acting in accordance with instructions of the Noteholders given in accordance with these Terms and Conditions, except to the extent such damage is directly caused by the Trustee's gross negligence or wilful misconduct.

25.2.4. Any liability towards the Issuer, which is incurred by the Trustee in acting under, or in relation to, these Terms and Conditions or the Trustee Agreement shall not be subject to set-off against the obligations of the Issuer to the Noteholders under these Terms and Conditions.

25.2.5. The aggregate liability of the Trustee under or in connection with these Terms and Conditions and the Trustee Agreement shall be limited to EUR 300,000.00 (three hundred thousand euro), except in case of wilful misconduct or wilful breach by the Trustee of its obligations.

25.2.6. In the event that the same entity or person acts in the capacities of both Collateral Agent and Trustee, any limitation on total liability shall apply separately and independently to each such capacity.

25.3. Replacement of the Trustee

25.3.1. Subject to Clause 25.3.4, the Trustee may resign by giving notice to the Issuer, in which case the Majority Noteholders shall appoint a successor Trustee at a Noteholders' Meeting convened by the retiring Trustee or by way of Procedure in Writing initiated by the retiring Trustee or the Issuer, if the retiring Trustee has not convened the Noteholders' Meeting or initiated of Procedure in Writing within 10 (ten) Business days from the date on which the Issuer has received such notice.

25.3.2. The Noteholders who, on the day of the request, collectively hold at least 1/10 (one-tenth) of the aggregate Nominal Value of all outstanding Notes (other than the Notes held by the Issuer, its direct or indirect shareholders and the Related Parties) may, by notice to the Trustee and the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. If the Event of Default has occurred and is continuing, the Majority Noteholders may decide on the Trustee replacement without the Issuer's consent.

25.3.3. The Issuer shall without undue delay inform the Noteholders of receipt of the relevant notice of the resignation of the Trustee under Clause 25.3.1. Unless provided otherwise in these Terms and Conditions, the duties and obligations of the Trustee shall be deemed to have terminated upon the appointment of a successor Trustee, acceptance by such appointment of the successor Trustee and the execution of all necessary documentation to effectively substitute the retiring Trustee. In any case, the successor Trustee shall be an independent financial institution, law firm or other reputable company with the necessary resources to act as Trustee in respect of the Notes.

25.3.4. No later than 60 (sixty) Business Days after the receipt of the relevant notice of the resignation of the Trustee under Clause 25.3.1 by the Issuer, a successor Trustee must be appointed by the Majority Noteholders, who must take over the obligations of the retiring Trustee. If a successor Trustee has not been appointed within the term set out in this clause, the duties and obligations of the retiring Trustee shall be deemed to have terminated and all references in these Terms and Conditions to the Trustee would apply to the Issuer only for administrative matters relating to convening Noteholders' Meetings or initiating Written Procedures and publishing notices, but not for any matter requiring independent determination, discretion, judgment, confirmation or representation of the Noteholders by the Trustee. However, afterwards, at any time, the Majority Noteholders may appoint a new Trustee, and, from the effective date of such appointment, all references in these Terms and Conditions to the Trustee shall refer to the new Trustee.

25.3.5. Subject to Clause 25.3.4, if the Trustee is insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall, unless a successor Trustee has already been appointed by the Majority Noteholders, within 10 (ten) Business Days appoint a successor Trustee which shall correspond to the requirements provided in Clause 25.3.3.

25.3.6. The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under these Terms and Conditions.

25.3.7. Upon the appointment of a successor Trustee or if duties and obligations of the retiring Trustee shall be terminated in accordance with Clause 25.3.4, the retiring Trustee shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Trustee. Any accrued rights and obligations of the Issuer, the retiring Trustee and the Noteholders existing prior to the effective date of replacement shall remain unaffected.

25.3.8. In the event that there is a change of the Trustee, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligations of the Trustee and releasing the retiring Trustee from its further obligations under these Terms and Conditions and the Trustee Agreement. Unless the Issuer and the new Trustee agree otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee, provided that the Issuer shall not be required to agree to any materially higher fees, broader indemnities or more onerous terms than those applicable to the retiring Trustee unless approved by the Issuer and the Majority Noteholders.

25.4. **Issuer's undertakings relating to the Trustee Agreement**

25.4.1. The Issuer shall in accordance with the Trustee Agreement:

(a) pay fees to the Trustee;

(b) indemnify the Trustee for costs, losses and liabilities to the extent provided in these Terms and Conditions and the Trustee Agreement;

(c) furnish to the Trustee all information requested by or otherwise required to be delivered to the Trustee under these Terms and Conditions and the Trustee Agreement, subject to Applicable Laws and confidentiality restrictions; and

(d) not act in a way which would give the Trustee a legal or contractual right to terminate the Trustee Agreement, except where such act is expressly permitted under these Terms and Conditions or approved by the Majority Noteholders.

25.5. **Trustee's privacy notice**

25.5.1. The Trustee may collect and process personal data relating to the Noteholders, their representatives and other persons nominated to act on behalf of the Noteholders pursuant to these Terms and Conditions (name, contact details and, when relevant, holding of Notes) or the purposes of performing its duties and exercising its rights under these Terms and Conditions, the Trustee Agreement and Applicable Laws.

25.5.2. The Trustee's addresses, information regarding its processing of personal data and the contact details for its data protection officers can be found on the Trustee's website https://www.eversheds-sutherland.com/lv/latvia/legal/privacy-notice.

TAXES

NOTICE

This summary is of a general nature and should not be considered a legal or tax advice. This summary does not contain full and complete information on all the taxes that relate to investment in the Notes. Tax rates and conditions for paying taxes may change during the life of the Notes. Potential Investors should consult with their own tax advisors with respect to their particular circumstances and the effects of the Latvian or foreign tax laws to which they may be subject to.

DEFINITION OF RESIDENTS AND NON-RESIDENTS

An individual is considered resident of Latvia for tax purposes if his or her declared place of residence is the Republic of Latvia, or he or she stays in the Republic of Latvia for more than 183 (one hundred and eighty-three) days within any 12 (twelve) month period; or he or she is a citizen of the Republic of Latvia and is employed abroad by the government of the Republic of Latvia. If an individual does not meet any of the above-mentioned criteria, he or she is considered a non-resident for tax purposes.

Any legal entity is considered resident of Latvia for tax purposes if it is or should be established and registered in the Republic of Latvia according to the Latvian legislation. Permanent establishments of foreign entities in Latvia are assimilated to local enterprises for tax purposes. Other legal entities are considered non-residents for tax purposes.

Latvia has entered into number of tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non- resident Noteholder, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 of 30 April 2001 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion". For the purposes of exchanging documents, the Noteholder should contact the Issuer *via* the information provided on the Issuer's webpage and/or Nasdaq Riga webpage.

TAXATION

Tax consequences in the Republic of Latvia regarding the income derived from Notes that are issued by a legal entity registered in the Republic of Latvia (not being a credit institution) effective as of date of the Terms and Conditions of the Notes are as follows:

Legal status of income beneficiary	**Notes that are not in the public circulation (not admitted to trading on a regulated market for the purposes of MiFID II)**		**Condition**
	Interest tax rate	**Capital gains tax rate**	
Individual resident of Latvia	25.5%	25.5%[1]	25.5% tax from the interest (coupon) income is withheld and transferred to the State budget by the Issuer. 1 – Income from disposal of the Notes is assimilated to an interest income and taxed at 25.5% rate in Latvia. Tax on capital gains is payable by self-assessment. Should the total taxable income as defined under the Law "On Personal Income Tax" of an individual resident of Latvia exceed EUR 200,000.00 (two hundred thousand euro) in a year, additional tax rate of 3% will be applicable to the portion of income exceeding EUR 200,000 (two hundred thousand euro). This additional tax is payable by self-assessment.

			Special rules apply if the transactions with the Notes are made through an investment account within the meaning of the Law "On Personal Income Tax". In such case, taxation of income is deferred until the moment when the amount withdrawn from the investment
Company resident of Latvia	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit) Resident entities whose shareholders are only individuals may elect for an alternative tax regime under which: (i) profit distributions are subject to corporate income tax at the rate of 15% on the gross amount of the distributions (with the tax base calculated by dividing the distributions by 0,85 and applying the 15% rate); and (ii) dividends are subject to personal income tax at the rate of 6% on the amount of dividends (which may be credited against the individual's tax liability in the country of residence, if the laws of that country permit such credit).	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit) See also the alternative regime that may be elected by resident entities whose shareholders are only of individuals	Interest income and capital gains are not subject to withholding tax in Latvia. Interest (coupon) income and a capital gain from the Notes constitute a part of the beneficiary's - Latvian company's overall income. The Corporate Income Tax obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (e.g., deemed dividends, non-business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the beneficiary - Latvian company. The tax is assessed and paid based on the Corporate Income Tax Return filed for a taxation period (a month or year).
Individual non-resident	5%/20%/25.5%[2,4]	5%/20%/25.5%[2,3,4]	5% tax from interest (coupon) income and a capital gain from the Notes can be withheld and transferred to the State budget by the Issuer of the Notes, if all of the following three criteria are met: (i) the payment is made with the intermediation of an investment service provider, including Nasdaq CSD, and the issue of the Notes is organized by an investment service

			provider supervised by competent authority supervising financial markets and participants thereof (such as the Bank of Latvia); (ii) the recipient of such income is a resident of the European Union or the European Economic Area and is not carrying out business activity; (iii) the Notes are not publicly traded (i.e. not traded on a regulated market). Otherwise, 25.5% tax from the interest (coupon) income is withheld and transferred to the State budget by the Issuer. 2 - In general, interest payments and other payments (except principal loan) to non-resident located, registered or incorporated in a no-tax or low-tax country or territory as defined according to the Regulations of the Cabinet of Ministers No. 333 "List of Low-Tax or No-Tax Countries and Territories", adopted on 27 June 2023, effective as of 1 July 2023, are subject to withholding tax of 20% if the payer is a Latvian legal entity. 3 – Under domestic tax law, income from disposal of the Notes is assimilated to an interest income and taxed at 25.5% rate. However, capital gains from the disposal of Notes may be tax exempt in Latvia under the applicable tax convention for the avoidance of double taxation. 4 - A non-resident individual being a beneficiary of interest (coupon) income or an income from disposal of the Notes could be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.
Company non-resident	Not taxable in Latvia[5,6]	Not taxable in Latvia[5,6]	Interest (coupon) income and a capital gain derived by a non-resident company (except a company from no-tax or low-tax countries or territories) are not taxable in Latvia provided that the company does not operate in Latvia through a permanent establishment. 5 - In general, interest payments and other payments (except principal loan) to non-resident located, registered or incorporated in a no-tax or low-tax country or territory as defined according to the Regulations of the Cabinet of Ministers No. 333 "List of Low-Tax or No-Tax Countries and Territories", adopted on 27 June 2023, effective as of 1 July 2023, are subject to withholding tax of 20% if the payer is a Latvian legal entity. 6 - A non-resident company being a beneficiary of interest (coupon) income or a capital gain could

			be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.

Source: Applicable Laws of the Republic of Latvia

TERMS OF THE PRIVATE OFFERING

Words and expressions defined in the Terms and Conditions of the Notes above or elsewhere in the Offering Memorandum have the same meanings in this section.

1.1. Method of issue

The Notes will be issued in one tranche.

1.2. Subscription for the Notes

1.2.1. Offering of the Notes with the total nominal value of EUR 22,000,000.00 (twenty two million euro) will be made during the subscription period that commences on 10 June 2026 at 10:00 Riga time and shall end when all Notes are subscribed and paid for(“**Subscription Period**”), unless shortened, extended, discontinued or closed earlier by the Issuer or the Arranger in accordance with this Offering Memorandum. The Subscription Period may end earlier if all Notes are sold or if the Issuer or the Arranger decides to close or discontinue the placement. In case the total number of the Notes subscribed for during the Subscription Period is larger than the number of the Notes available, the Arranger, acting in consultation with the Issuer, at its sole discretion has the right to terminate the Subscription Period and announce the completion of the Subscription Period. The termination timing can be different for private investors and institutional investors or for different categories of investors, provided that such treatment is in accordance with Applicable Laws and the allocation principles set out in this Offering Memorandum.

1.3. Subscription terms

1.3.1. The orders to acquire the Notes (“**Subscription Orders**”) can be submitted to the Arranger every Business Day during normal working hours until the end of the Subscription Period. More detailed information on the submission of the Subscription Orders is available by phone (+371 67 081 069) or through other communication channels notified by the Arranger or the Issuer.

1.3.2. The Subscription Orders can also be submitted to other Custodians, which in turn shall submit orders to the Arranger until the end of the Subscription Period. The form of such Subscription Orders is regulated by contracts between Noteholders and Custodians and by the Applicable Laws. Neither the Issuer nor the Arranger shall be responsible for any delay, omission, error or failure by any Custodian or intermediary to submit, process or settle a Subscription Order.

1.3.3. The minimal initial subscription size (the “**Minimum Investment Amount**”) is EUR 100,000.00 (one hundred thousand euro). The subscription size should be equal to a multiple of the Settlement Unit Multiple.

1.3.4. Total Nominal Value of the Notes to be purchased and provided in each Subscription Order shall be for at least the Minimum Investment Amount. Potential Investors have the right to submit several orders during the offering, provided that the Issuer and the Arranger may aggregate Subscription Orders submitted by the same Potential Investor or persons acting on behalf of, or in concert with, such Potential Investor for the purposes of allocation, selling restrictions, prospectus exemptions, AML, sanctions and other compliance checks.

1.3.5. All Subscription Orders to the Notes shall be considered as a binding and irrevocable commitment to acquire the allotted Notes, subject to the Issuer’s and the Arranger’s right to reject, reduce or refuse allocation of the Notes in accordance with this Offering Memorandum.

1.3.6. By submitting the Subscription Order, the Potential Investor confirms that it/he/she: (a) has read the Offering Memorandum and understands the Terms and Conditions ; (b) agrees and commits to adhere to the Terms and Conditions; and (c) authorizes and instructs the Custodian, the Arranger, the Issuer, distributors or other parties involved in the Subscription Order submission and/or settlement process to forward and exchange its/his/her personal data and information provided in the Subscription Order to the extent necessary for the purposes of the offering, allocation, settlement, AML, sanctions, tax, regulatory, investor identification and other compliance requirements.

1.3.7. By submitting the Subscription Order, each Potential Investor further confirms that it/he/she is entitled to acquire the Notes under Applicable Laws and any laws applicable to it/him/her, has obtained any required internal, corporate or other approvals, and is not subject to any restriction which would make the acquisition, holding or disposal of the Notes unlawful.

1.3.8. In accordance with Article 5f of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (as amended), it is prohibited to sell the Notes to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia. This prohibition shall not apply to nationals of a Member State of the European Union, of a country member of the European Economic Area or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the European Economic Area or in Switzerland.

1.3.9. In accordance with Article 1y of Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus (as amended), it is prohibited to sell the Notes to any Belarusian national or natural person residing in Belarus or any legal person, entity or body established in Belarus. This prohibition shall not apply to nationals of a Member State of the European Union or to natural persons having a temporary or permanent residence permit in a Member State of the European Union.

1.3.10. The Issuer and the Arranger may request any Potential Investor to provide additional information, documents, confirmations, declarations or representations required for AML, sanctions, tax, selling restriction, investor identification or other compliance purposes. Failure to provide such information or documents in a form satisfactory to the Issuer or the Arranger may result in rejection of the Subscription Order or refusal to allocate Notes to such Potential Investor.

1.3.11. The First Settlement Date of the Notes is 30 June 2026.

1.3.12. All the expenses related to the acquisition and custody of the Notes shall be borne by a Potential Investor in compliance with the pricelist of a credit institution or investment service provider, through which the investor purchases and keeps Notes. The Issuer is not obliged to compensate any such expenses incurred by the Potential Investor.

1.4. Price of the Notes

1.4.1. The purchase price of the Notes can be equal to 100% (one hundred per cent) of the Nominal Value or the purchase price could be lower or higher than the Nominal Value, meaning that the Notes can be sold with a discount or premium, plus accrued interest.

1.4.2. All subscription orders that have been submitted after the First Settlement Date shall be executed with accrued interest, unless the subscription orders are submitted within 5 (five) Business Days before the end of each respective quarter – from the Coupon record date and until the Coupon Payment Date, in which case the subscription orders shall be executed without accrued interest.

1.5. Allocation of the Notes to Noteholders

1.5.1. The Notes are allocated to the Noteholders in the amount not larger than the amount specified in the Subscription Order and not less than the Minimum Investment Amount.

1.5.2. In case the total number of the Notes subscribed for during the Subscription Period is less than the number of the Notes available, the Notes will be allotted based on the Subscription Orders placed, subject to the Issuer's and the Arranger's right to reject, reduce or refuse allocation of Notes in accordance with this Offering Memorandum.

1.5.3. In case the total number of the Notes subscribed for is higher than the number of the Notes available, the proportionate reduction principle shall be applied to the extent possible at the discretion of the Issuer, however, the Notes allocated to the Noteholders shall not be less than the Minimum Investment Amount. For the avoidance of doubt, the Issuer and the Arranger may deviate from the proportionate reduction principle where they consider it appropriate, including to give allocation priority to certain categories of investors, to comply with Applicable Laws, selling restrictions, prospectus exemptions, AML or sanctions requirements, to take into account the timing, size or certainty of Subscription Orders, or to support the successful placement of the Notes.

1.5.4. The Issuer or Arranger at its sole discretion has a right to refuse to allocate all or part of the subscribed Notes to any Potential Investor due to AML, Sanctions regulations compliance risk or other risks, including, without limitation, regulatory, tax, reputational, settlement, investor suitability, selling restriction, documentation, operational or other risks, as well as failure to provide information or documents requested by the Issuer or the Arranger.

1.5.5. The Issuer may give priority in allocation of the Notes to Potential Investors who are existing investors in Merito Fund legally separate from the Issuer but economically linked to the BESS Projects, including because the BESS Projects are expected to be developed on land plots owned, held or otherwise made available by such fund or its related entities. Such priority shall not constitute a pre-emptive right or guarantee of allocation.

1.6. Discontinuation of the placement and reduction of the Notes issue size

1.6.1. The Issuer may decide to discontinue placement of the Notes at any time until the end of the Subscription Period without being required to provide reasons for such decision.

1.6.2. The Issuer may decide on the reduction of the Notes issue size, including where the Notes are not subscribed for in full or where the Issuer otherwise considers such reduction appropriate.

1.6.3. Any Notes that are not issued shall be deleted.

1.6.4. The Issuer shall not be liable to any Potential Investor for any costs, losses, damages or expenses arising from discontinuation of the placement, reduction of the issue size, rejection or reduction of a Subscription Order, or non-allocation of the Notes, except in case of the Issuer's wilful misconduct.

1.7. Settlement and delivery of the Notes

1.7.1. The Settlement Date of the Notes is the Issue Date. All subscription orders that are aggregated during the Subscription Period with settlement date on the Issue Date will be delivered without accrued interest.

1.7.2. Settlement of the Notes will be executed through Nasdaq CSD in accordance with the DVP (delivery versus payment) principle pursuant to the applicable rules of Nasdaq CSD.

1.7.3. The Custodians shall execute payments for the Notes based on the results of the subscription provided by the Arranger. The Notes will be transferred to the Noteholders' financial instrument accounts on the settlement date subject to receipt of payment, completion of all required checks and the applicable procedures of Nasdaq CSD and the relevant Custodians.

1.7.4. Settlement for the Notes can be executed according to other procedure, which is agreed to by the Arranger and a Potential Investor, but in any case, through Nasdaq CSD in accordance with the DVP (*delivery versus payment*) principle pursuant to the applicable rules of Nasdaq CSD.

1.7.5. Neither the Issuer nor the Arranger shall be responsible for any settlement failure, delay or technical issue caused by Nasdaq CSD, any Custodian, account operator, bank, payment system, intermediary or Potential Investor.

1.8. Pre-emptive rights

None of the Potential Investors has any rights of pre-emption in respect to acquisition of the Notes in the initial placement. Any allocation priority, lower minimum subscription amount or preferential economic term made available to selected Potential Investors, including existing investors in Merito Fund economically linked to the BESS Projects, shall not constitute a pre-emptive right or any legally binding entitlement to subscribe for or receive the Notes.

1.9. Listing

1.9.1. The Issuer plans to request the admission to trading of the Notes on First North within 12 (twelve) months after the Issue Date and submit the Offering Memorandum to Nasdaq Riga. The Issuer does not undertake to register a prospectus for the Notes with the Bank of Latvia or list the Notes on any regulated market. Admission to trading on First North is subject to the decision of Nasdaq Riga and the fulfilment of all applicable requirements, and there is no assurance that such admission will be obtained or maintained.

1.9.2. The Issuer has not signed any agreement with any person for liquidity maintenance of the Notes on the secondary market and does not undertake to ensure the existence of an active, liquid or orderly secondary market for the Notes.

GENERAL INFORMATION

Words and expressions defined in the Terms and Conditions of the Notes below or elsewhere in the Offering Memorandum have the same meanings in this section.

GENERAL INFORMATION ON THE ISSUER

The Issuer is SIA Saules BESS, a private limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered in the Register Enterprises of the Republic of Latvia under registration No 40203716498.

The Issuer carries out its activities in accordance with the Applicable Laws.

The Issuer is owned by SIA Saules Energy, private limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered in the Register Enterprises of the Republic of Latvia under registration No 50203458791.

DECISIONS OF THE ISSUER ON THE NOTES ISSUE

On 9 June 2026, the Issuer's shareholder passed the sole shareholder's decision to issue the Notes and to authorize the Management Board to approve and sign all the documents (including the Offering Memorandum) related to the issuance of the Notes.

On 9 June 2026, the Issuer's Management Board passed the decision to issue the Notes and to approve and sign all the documents (including the Offering Memorandum) related to the issuance of the Notes.

AUDITOR

The Issuer plans to engage a reputable and recognized auditor, licensed to practice in the Republic of Latvia, prior to publishing its audited financial report for the financial year ending 31 December 2026. The appointment is expected to take place by the end of 2026.

ADVISORS INVOLVED IN THE ISSUE

The Issuer has concluded an agreement with the Arranger to organise the Notes issue, to communicate with Nasdaq CSD, market the Notes to investors and conduct settlement during the Subscription Period. The Arranger may provide other services to the Issuer in the future and receive remuneration for it. The Arranger may invest its own funds in the Notes.

The Issuer has signed the Collateral Agent Agreement with Collateral Agent, which holds the Collateral on behalf and for the benefit of all the Noteholders and is authorized to act with the Collateral and Guarantee in favour of all the Noteholders in accordance with the Terms and Conditions, the Collateral Agreement and the Collateral Agent Agreement. The Collateral Agent may provide other services to the Issuer in the future and receive remuneration for it.

The Issuer has signed the Trustee Agreement with the Trustee who represents the Noteholders in accordance with the Terms and Conditions and the Trustee Agreement. The Trustee may provide other services to the Issuer in the future and receive remuneration for it.

On the date of the Offering Memorandum the Trustee and the Collateral Agent is the same legal entity: ZAB Eversheds Sutherland Bitāns SIA, a law firm registered with the Latvian Bar Association and registered with the Register of Enterprises of the Republic of Latvia under registration No. 40203329751 and with a registered address at: Marijas iela 2A, Riga, Latvia.

Legal advice to the Company in respect of the Notes issue was provided by law firm Sorainen ZAB SIA.

EXTERNAL AUDIT OF THE INFORMATION INCLUDED IN THE OFFERING MEMORANDUM

The information included in the Offering Memorandum have not been verified by auditors; however, the part of the financial information included in the Offering memorandum is audited by the Issuer's auditor.

STATEMENTS OR REPORTS INCLUDED IN THE OFFERING MEMORANDUM

The Offering Memorandum does not contain any expert statements or reports.

CREDIT RATINGS

No credit rating has been assigned to the Issuer or to the Notes.

BUSINESS DESCRIPTION

Words and expressions defined in the Terms and Conditions of the Notes below or elsewhere in the Offering Memorandum have the same meanings in this section.

COMPANY'S OVERVIEW

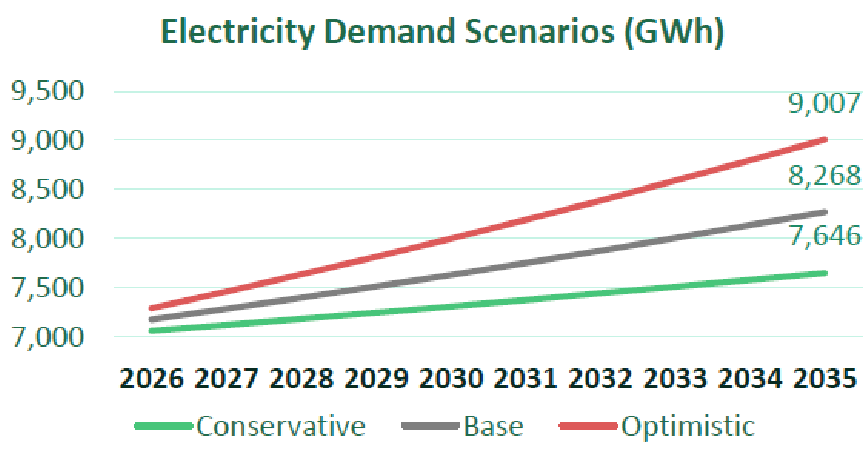
SIA Saules BESS is a Latvia-based BESS project company established to develop and operate utility-scale battery energy storage assets in Latvia. The Issuer forms part of the portfolio of Merito Sustainable Energy Fund I, a EUR 20 million investment fund backed by 86 investors and managed by an AIFP regulated by the Bank of Latvia. The Issuer has been established as an expansion platform alongside renewable energy operations under SIA Saules Energy, which has successfully developed a 71.5 MWp solar PV portfolio in Latvia. The Company's current development pipeline consists of a fully ready-to-build 120 MWh BESS project, for which all material permits have been secured and construction activities have commenced, with the first 70 MWh BESS devices already delivered to Latvia in May 2026 and the full 120 MWh project expected to become operational across all targeted electricity and balancing markets by December 2026. The Company intends to generate revenues from participation in wholesale electricity and ancillary markets through cooperation with specialized third-party electricity trading and optimization partners active across the Baltic and Nordic regions.

INDUSTRY OVERVIEW

Battery energy storage systems are a critical component of modern electricity infrastructure, providing grid flexibility, balancing capacity and energy shifting capabilities required to support growing penetration of intermittent renewable energy generation. BESS generate revenues primarily through participation in wholesale electricity markets, intraday arbitrage and ancillary service markets, including frequency containment and balancing reserve products such as FCR, aFRR and mFRR. The economic performance of BESS is largely driven by electricity price volatility, balancing market demand, grid congestion and the availability of sufficient price spreads between charging and discharging periods. As electricity systems become increasingly dependent on renewable energy generation, battery storage is expected to play an increasingly important role in maintaining grid stability, balancing supply and demand and supporting transmission infrastructure constraints.

In the Baltics and broader Nordic region, the BESS sector is currently supported by structural market conditions including growing electricity demand, increasing renewable energy penetration and limited regional balancing capacity. Following the synchronization changes and disconnection from the BRELL electricity system in 2025, Baltic electricity markets are expected to require substantially higher balancing reserves and system flexibility, increasing demand for ancillary services and battery-based balancing solutions. In addition, the Baltic electricity market remains relatively shallow compared to Western European markets, with lower installed storage capacity and more limited baseload generation, resulting in higher electricity price volatility and wider balancing spreads. Latvia is expected to add significant new renewable generation capacity over the coming decade, primarily through solar and wind projects, increasing the importance of co-located storage solutions capable of mitigating intermittency and grid congestion risks.

Latvian Electricity Demand Scenarios (GWh)

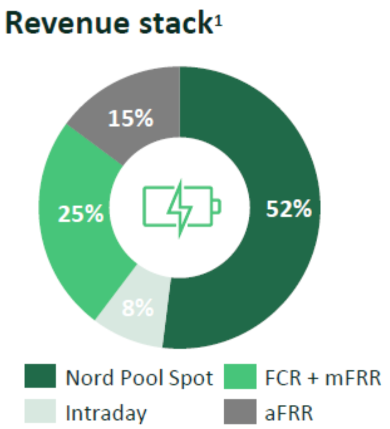


The current Baltic BESS market environment has resulted in comparatively strong revenue opportunities for battery storage operators relative to more mature European markets. Revenue benchmarks observed in Baltic balancing and electricity markets have materially exceeded those of several larger European jurisdictions, supported by higher volatility, lower competition and increasing balancing demand. At the same time, the sector remains highly dependent on future market developments, including regulatory changes, growth in installed battery storage capacity, evolution of balancing market structures and increasing competition from new market entrants. While short- and medium-term market conditions are currently viewed as favorable for BESS operators, long-term revenue levels are expected to gradually normalize as the Baltic electricity market matures and additional flexibility capacity enters the market.

BUSINESS MODEL

The Company's BESS business model is based on generating revenues from electricity price arbitrage and participation in ancillary services markets. The BESS are expected to generate income through Nord Pool day-ahead and intraday electricity trading, including spread trading and imbalance netting, as well as through reserve capacity and balancing services such as FCR, aFRR and mFRR, where revenues may be earned both from standby capacity availability and activation payments when the BESS is dispatched by the transmission system operator. The Company's battery dispatch and market participation are expected to be optimized through cooperation with specialized third-party electricity trading and optimization partners utilizing automated and AI-assisted trading systems.

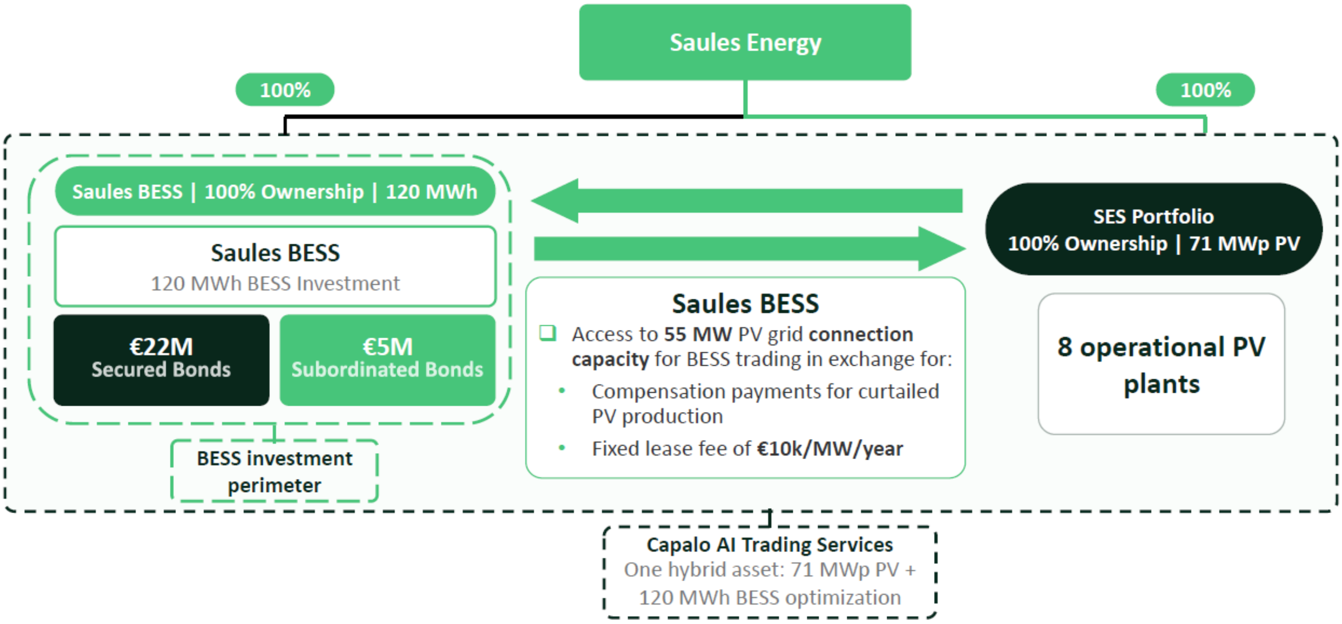
Forecasted revenue breakdown for FY 2027 (left) and *Simplified BESS and Solar PV system (right)*



[1] Forecasted revenue split for FY 2027

The Company's BESS operations are integrated with the renewable energy operations of the parent company, SIA Saules Energy, which owns and operates a solar PV portfolio in Latvia. Under the existing structure, as documented in the relevant Material Agreements, the Company has access to approximately 55 MW of grid connection capacity for BESS trading purposes in exchange for compensation payments relating to curtailed PV production and a fixed lease fee of EUR 10 thousand per MW per year.

Business structure overview

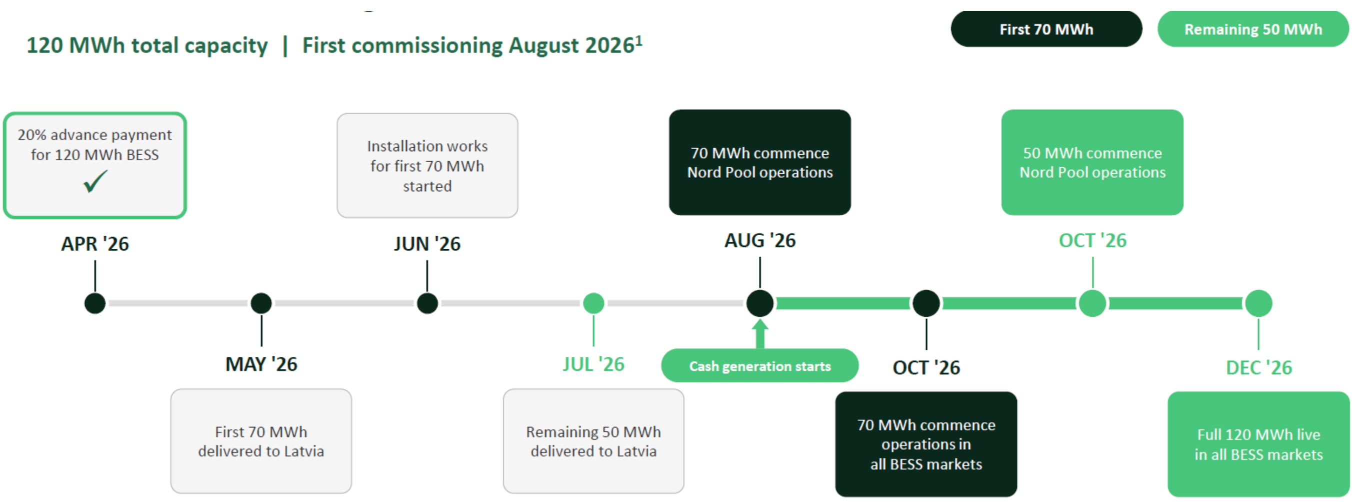


PROJECT OVERVIEW

The BESS are expected to be deployed across the Company's existing renewable energy infrastructure, next to each of the eight Saules Energy solar PV sites, with access to approximately 55 MW of grid connection capacity. This co-location structure allows utilization of existing grid infrastructure and to participate in electricity trading and balancing markets. Another advantage of the co-located asset structure is that during daytime hours, the BESS can be charged directly from the adjacent PV facility using locally generated electricity. This reduces reliance on electricity imported from the grid and may significantly decrease grid-related charges and transmission costs, while also improving the overall operational efficiency and economic performance of the integrated energy system.

The project is currently fully ready-to-build, with all material permits secured and construction activities already commenced. Advanced payments have already been made for the 120 MWh BESS equipment. The project will be implemented in two phases. The first phase, representing 70 MWh of battery storage capacity, was delivered to Latvia in May and early June 2026 and is expected to begin participating in Nord Pool electricity markets in August 2026. Full market participation for the first phase, including targeted balancing and ancillary service markets, is expected to commence by October 2026. The second phase, representing the remaining 50 MWh, is expected to be delivered in July 2026 and begin Nord Pool operations in October 2026, with the full 120 MWh project expected to be commissioned and operational across all targeted markets by December 2026.

Detailed project timeline



The BESS equipment will be supplied by Kehua Technology, a Tier 1 energy storage equipment provider with approximately 12 GWh of BESS deployed globally. Kehua was selected through a competitive tender process. The physical construction and on-site installation of the BESS units will be carried out by KL Systems and its German arm RNRG GmbH, which has more than 15 years of utility-scale renewable energy construction experience across Europe, the Middle East and India. RNRG has installed more than 2 GW of solar PV power capacity and over 400 MWh of BESS capacity and also constructed the existing 71.5 MWp Saules Energy solar PV portfolio.

Render of the constructed BESS system

The Issuer’s market participation will be supported by specialized third-party electricity trading and optimization partners. The primary BESS trading partner is Capalo AI, an AI-driven BESS trading and optimization platform active in Sweden, Finland, Latvia and Lithuania. Capalo AI currently has approximately 300 MW of operational BESS, more than 1 GWh of signed capacity, and over 200 MW of live solar PV power capacity under trading, with further geographic expansion planned in 2026. The Company is also evaluating AOX Trade, the current trading partner for the Saules Energy PV portfolio, as a potential additional partner for BESS market participation.

The BESS are expected to generate revenues through a combination of Nord Pool day-ahead and intraday electricity trading, imbalance management, and participation in ancillary service markets. Dispatch and trading decisions are expected to be optimized through automated and AI-assisted trading systems, allowing the batteries to charge during periods of lower electricity prices and discharge or provide flexibility services during periods of higher market demand. This business model is intended to benefit from increasing electricity price volatility, growing renewable energy penetration and rising demand for grid balancing capacity in the Baltic region.

DOMESTIC MARKET OVERVIEW

The Latvian BESS market is currently in an early but rapidly developing stage, driven by the increasing penetration of renewable energy generation, electricity price volatility and the growing need for grid flexibility and balancing services. The market is characterised by the presence of both large utility-backed projects and renewable energy independent power producers (“IPPs”), with several large-scale projects expected to commence operations during 2026–2027.

The most significant operational BESS asset in Latvia is developed by AST, Latvia’s transmission system operator, which commissioned an 80 MW / 160 MWh battery system in 2024. The project is among the largest battery energy storage facilities in the European Union and plays a strategic role in strengthening grid stability, supporting Baltic energy independence and facilitating synchronisation with continental Europe. Unlike commercially operated BESS projects, the AST battery system is primarily intended for transmission system stability and balancing purposes and is not designed for commercial energy trading activities.

In parallel, Utilitas commissioned Latvia’s first utility-scale commercial BESS project in Tārgale in 2024, with a total capacity of 10 MW / 20 MWh integrated with the existing 58.8 MW Tārgale wind park. The project is designed to store surplus renewable electricity generation and participate in balancing and energy markets, supporting more efficient utilisation of renewable generation assets and grid infrastructure.

At the same time, Latvia's largest utility and electricity retailer, Latvenergo, is entering the BESS segment with a planned 40 MW / 80 MWh project expected to commence operations in 2027, while targeting approximately 250 MW / 500 MWh of total BESS capacity by 2030. Leveraging its approximately 2.6 GW generation portfolio, primarily hydroelectric and flexible CHP assets, Latvenergo is well positioned to integrate battery storage into its broader generation and balancing ecosystem.

The renewable energy IPP segment is emerging as a key driver of future market growth. Sunly is currently developing one of the largest announced BESS portfolios in Latvia, comprising 284 MW / 568 MWh expected to be commissioned during 2026–2027. The projects complement Sunly's existing and under-construction solar generation portfolio and are intended to optimise renewable energy utilisation and capture balancing and flexibility revenues.

In addition to large-scale market participants, smaller integrated renewable energy operators are also entering the segment. AJ Power currently operates a 3 MW / 6 MWh BESS commissioned in 2024 and plans to expand its storage portfolio with an additional 6 MW / 20 MWh project by 2026. The company combines battery storage with a 30 MW solar portfolio, demonstrating increasing adoption of co-located renewable and storage solutions in the Latvian market.

Overall, the Latvian BESS market is transitioning from pilot-scale projects toward utility-scale deployment, with announced projects already exceeding several hundred megawatts of planned installed capacity. Market growth is expected to be supported by continued renewable energy expansion, increasing balancing market opportunities, grid flexibility needs and regional energy security considerations across the Baltic electricity system.

GROWTH PROSPECTS

The Issuer operates in a rapidly developing Latvian and Baltic battery energy storage market, supported by the continued expansion of renewable energy generation, increasing electricity market volatility and growing demand for grid balancing and flexibility services. The sharp increase in solar and wind generation capacity across the Baltics is expected to materially increase demand for balancing solutions, particularly following the Baltic States' disconnection from the BRELL power system in February 2025 and the increasing integration of intermittent renewable energy sources into the electricity grid.

The commissioning of AST's battery energy storage systems in Tume and Rēzekne in 2025 demonstrates the strategic importance of BESS infrastructure in Latvia. The systems, with combined capacity of 80 MW / 160 MWh, are among the largest in the European Union and temporary support grid stability and balancing services. At the same time, both utility-scale operators and independent power producers continue to develop new BESS projects, supported by declining technology costs and increasing balancing market opportunities.

According to the Latvian Ministry of Climate and Energy, renewable electricity generation volumes are expected to increase significantly by 2030, particularly from solar and wind power plants. Solar and wind generation in Latvia is projected to increase from approximately 0.9 TWh in 2024 to 5.8 TWh by 2030, substantially increasing the need for flexible balancing capacity and energy storage solutions. In parallel, electricity consumption in the Baltic region is forecast to continue growing, while battery storage capacity across the region is expected to expand materially during the coming years.

The Issuer's profitability prospects are supported by structural market trends, including increasing renewable energy penetration, growing demand for grid balancing services and ongoing technological improvements reducing BESS investment costs. At the same time, the market is expected to become increasingly competitive due to the large number of announced BESS and renewable energy projects in the Baltics, which may result in lower balancing market revenues and narrower electricity price arbitrage margins over time as additional storage capacity enters operation. Nevertheless, the Issuer's business model is positioned to benefit from the continuing long-term transition toward renewable and flexible electricity systems in Latvia and the broader Baltic region.

ORGANIZATIONAL STRUCTURE

The Issuer is led by the same experienced management team responsible for the development and operation of the parent company**,** SIA Saules Energy, ensuring strategic continuity across the solar PV and BESS platforms. The management team combines entrepreneurial, financial, operational and technical expertise in renewable energy, with a demonstrated track record in project origination, capital allocation, procurement, construction and grid connection. It is headed by Artūrs Plūme, Chief Executive Officer, a serial entrepreneur and investor in renewables who has founded and scaled multiple ventures in forestry and solar energy, managed investor relations and capital allocation across renewable projects, and commissioned 14 utility-scale solar plants totalling 130 MWp, including three hybrid BESS projects with 40 MWh of storage capacity. He is supported by Māris Plūme, Chief Operating Officer, a banking and CleanTech executive with nine years of experience at Swedbank at Baltic and Latvian management board level, deep expertise in procurement, supply chain and CAPEX budget control, The technical development is overseen by Gatis Lazda, Chief Technology Officer, a qualified engineer with more than 20 years of experience in renewable energy project design, construction and grid connection. He has led the installation of approximately 190 MWp of solar PV capacity and the development of 80 MWh of BESS projects, including six projects delivered for Latvenergo. He also serves as a board member of the Latvian Renewable Energy Alliance, where he leads the Solar and BESS divisions.

COMPANY STRUCTURE

The following sub-sections cover the ownership structure, Management Team of the Issuer (SIA Saules BESS).

*Management Team of the **Issuer (SIA Saules BESS)***

Name	Position
Māris Plūme	Member of the Management Board, Chief Operating Officer
Artūrs Plūme	Chief Executive Officer
Gatis Lazda	Chief Technology Officer

FINANCING STRATEGY OF THE COMPANY

The Company's goal is to achieve a balanced financing structure to provide the Group with flexibility and support its growth plans.

OVERVIEW OF THE COMPANY'S FUNDING STRUCTURE

The Company employs a variety of financing sources, including bank loans, , shareholder equity. The Company's funding is supported through mechanisms such as loans from leading Baltic financial institutions, commercial pledges on shares and assets.

Post issue funding structure of the Issuer, *EUR'000*

Funding type	Amount
Share capital	3
Subordinated Notes	5 000
Total Adjusted Equity	**5 003**
Senior Secured Notes	22 000
Total funding	27 003

LEGAL PROCEEDINGS AND ARBITRATIONS

At the date of the Offering Memorandum, the Issuer or its management board members are not involved in any lawsuits or arbitration proceedings, which may significantly affect or have significantly affected the financial situation or profitability of the Issuer.

ANTI-MONEY LAUNDERING (AML)

The Issuer is committed to conducting thorough and comprehensive due diligence on their suppliers throughout the entire bond placement process and during their economic activities, with a focus on identifying potential AML risks, Sanctions risks, human rights violations, and environmental issues.

SUBSTANTIAL CHANGES IN THE FINANCIAL SITUATION OF THE COMPANY AND SUBSTANTIAL AGREEMENTS

As of the publication of the last financial statement, the financial situation or performance of the Issuer has not worsened. The Issuer is unaware of any factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in future.

CONFLICTS OF INTEREST AND OTHER DECLARATIONS

As at the date of these Terms of the Notes Issue, the Issuer is not aware of any conflicts of interest or potential conflicts of interest between the Issuer duties of the members of the management board and their private interests and/or their other duties. Certain related parties of the Issuer and parties affiliated with the direct owner of the Shareholder may subscribe for or otherwise invest in the Notes in the Offering on terms which may differ from those applicable to other investors. Such participation may create potential conflicts of interest.

MATERIAL CONTRACTS

The Company is not aware of any other important agreements or internal decisions that could have been concluded or made within the Company or between the Company and any related company and that could affect the Issuer's ability to fulfil its obligations to the Noteholders under the Notes.

SIGNIFICANT RECENT AND KNOWN TRENDS

At the date of the Offering Memorandum, the Company has no information at its disposal regarding any known trends that have negatively affected the Company or the activity.

SELECTED FINANCIAL INFORMATION OF THE GROUP

Words and expressions defined in the Terms and Conditions of the Notes below or elsewhere in the Offering Memorandum have the same meanings in this section.

GENERAL

The Issuer was registered with the Commercial Register of the Republic of Latvia on 2 February 2026. As the Issuer is a newly established company, no financial statements or financial reports of the Issuer are available as at the date of this Offering Memorandum.

Accordingly, the Issuer has no operating history and has not prepared any audited or unaudited annual or interim financial statements. Investors should therefore note that there is no historical financial information available in respect of the Issuer on which to assess its financial performance or results of operations. The Issuer's ability to meet its obligations under the Notes should be assessed primarily on the basis of the business plan, projected cash flows, the underlying project assets and the financial and operational support available from its shareholder(s).

The Issuer's financial reports will be available on the Nasdaq Riga website following to the admission of the Notes to trading on First North, as well as on the Issuer's website https://saulesbess.com/ .