

**Prospectus for the listing of
UPP Olaines OÜ Notes**

Type of securities	Notes
ISIN Code	EE3300111350
Number of securities	6,215
Nominal Value	1000.00 EUR
Total Nominal Value of the Issue	6,215,000 EUR
Interest Rate	7% p.a.
Maturity Date	10.11.2022.

This Prospectus constitutes a prospectus of UPP Olaines OÜ (registration number: 14318601; legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; phone number: +372 6616450; e-mail: property@unitedpartners.ee; website: <http://www.unitedpartners.ee/investorile/upp-olaines/>) in respect to listing of secured subordinated debt securities on Baltic Bond List of Nasdaq Tallinn.

This Prospectus is not intended as an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. This Prospectus has been prepared solely for the listing of the Notes on Baltic Bond List of Nasdaq Tallinn.

The date of registration of this Prospectus with EFSA is 23.10.2018.

The estimated day of listing of the Notes is 12.11.2018.

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1. USED DEFINITIONS AND ABBREVIATIONS

For the purposes of this Prospectus, capitalized terms have the following meanings, unless defined elsewhere in the document:

Acquisition shall mean acquisition of 100% of shares in the Target by the Latvian SPV.

Bank shall mean Luminor Bank AS (legal address: Skanstes iela 12, Riga, LV-1013, Latvia; register code: 40003024725).

Banking Day shall mean a business day, i.e. any day, except Saturday, Sunday, a national or a public holiday in Estonia.

Collateral shall mean a 3rd rank mortgage in the maximum amount of EUR 8,079,500 over the Property in favour of the Collateral Agent as the pledgee.

Collateral Agent shall mean Law Office Eversheds Sutherland Bitāns, VAT register code 90000816224, 20a Lāčplēša Street, Riga, LV-1011, Latvia, who holds the Collateral in favour of the Investors and performs other assignments stipulated in the Note Terms.

Collateral Agreement shall mean the mortgage agreement concluded between the Collateral Agent and the relevant Collateral Provider for establishing the Collateral defined in this Prospectus and the Note Terms and governed by Latvian law, dated 11.01.2018.

Collateral Agent Agreement shall mean the agreement between the Issuer and the Collateral Agent that stipulates the fees and remuneration payable to the Collateral Agent for the performance of its duties under the Note Terms, including in relation to establishing, holding and enforcing the Collateral in the interests of the Investors in accordance with the Note Terms. The Collateral Agent Agreement is an annex to the Note Terms and constitutes an inseparable part of the Note Terms.

Collateral Provider shall mean with respect to the 3rd rank mortgage Collateral, prior to the Merger the Target and after completion of the Merger the Latvian SPV.

Early Redemption Date(s) shall mean, in accordance with the Note Terms any time after 10. November 2021 when the Issuer has the right, subject to subordination, to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest, giving at least 10 Banking Days advance notice to the Investors by post or e-mail.

Euro and **EUR** shall mean the single currency of the participating Member States in accordance with the legislation of the European Community relating to Economic and Monetary Union.

Extraordinary Early Redemption Date shall mean the Banking Day on which the Issuer has an obligation to redeem all outstanding Notes of an Investor, following a respective request by such Investor after occurrence of Extraordinary Early Redemption Event or the decision of the Majority Investors described in Section 15.9 of the Note Terms.

Extraordinary Early Redemption Event shall mean any of the following events, as described in the Note Terms:

the Issuer has not paid the interest payments in full amount for more than 5 Banking Days from the relevant Interest Payment Date;

provided that the Issuer has used its right for early redemption, the Issuer has not paid the payments to be made on the Early Redemption Date in full amount for more than 5 Banking Days from the relevant Early Redemption Date;

an insolvency claim (in Estonian: *pankrotiavaldu*; in Latvian: *maksātnespējas procesa pieteikums*) has been submitted in respect of the Issuer, the Latvian SPV or the Target and the competent Estonian court has accepted the insolvency claim (in Estonian: *menetlusse võtma*) or the competent Latvian court has decided to initiate the bankruptcy proceedings (in Latvian: *pasludināts maksātnespējas process*);

the Issuer breaches any of the covenants set forth in Section 3.4 of the Note Terms;

the Issuer, the Latvian SPV or the Target has filed for liquidation with the appropriate state authorities of Estonia or Latvia, as applicable;

the Collateral Provider fails to enter into Collateral Agreement within the term specified in Section 12.1 of the Note Terms;

the Issuer has not provided its annual or quarterly report to the Investors and the Collateral Agent in accordance with the Note Terms and the Issuer has not remedied the breach in 7 Banking Days as of receipt of the breach notice;

the Issuer has not provided documents described in Section 3.5.3 of the Note Terms and the Issuer has not remedied the breach in 7 Banking Days as of receipt of the breach notice.

EFSA shall mean Estonian Financial Supervision Authority.

Group shall mean United Partners Group OÜ and all its subsidiaries.

HICP shall mean the Harmonised Index of Consumer Prices compiled by Eurostat.

Interest shall mean the interest on the Notes calculated in accordance with clause 6.4 of this Prospectus.

Interest Payment Date shall mean February 10th, May 10th, August 10th and November 10th of each year or, to the extent such day is not Banking Day, the next Banking Day following such date. The first Interest Payment Date for the Notes shall be February 10th, 2018 and the last Interest Payment Date shall be the relevant Maturity Date or, if the Notes are to be redeemed on the Early Redemption Date, up to and including the Early Redemption Date or, if the Notes are to be redeemed on the Extraordinary Early Redemption Date, up to and including the Extraordinary Early Redemption Date.

Interest Period shall mean (i) in respect of the first Interest Period, the period from (and including) the Issue Date up to and including the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from an Interest Payment Date up to and including the next succeeding Interest Payment Date (or a shorter period if relevant).

Interest Rate shall mean 7 per cent, per annum.

Intra-Group Loan shall mean the unsecured loan issued by the Issuer to the Latvian SPV in the principal amount up to EUR 9,270,000 (subordinated to the senior loan described in Section 7.1 of Note Terms).

Investor shall mean a registered holder of a Note in the Register.

Issue shall mean the aggregate of the Notes granting similar rights, which were issued and will be redeemed under similar conditions pursuant to the procedure established in Note Terms and with the identical ISIN code.

Issuer shall mean UPP Olaines OÜ; register code 14318601; legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; phone number: +372 6616 450; <http://www.unitedpartners.ee/investorile/upp-olaines/>.

ISIN Code shall mean International Security Identification Number, which Nasdaq CSD SE Estonian Branch has provided to the Notes.

Issue Date shall mean the date when the Notes were transferred to the securities or nominee account of the Investor, which was 10.11.2017.

Latvian SPV shall mean SIA Olaines Logistics; register code: 40103578358; legal address: Zemitāna street 2B, LV-1012, Latvia; phone number: +372 6616 450.

Loan Agreement shall mean the term loan agreement Latvian SPV concluded with the Bank on 24.11.2017 to finance the Acquisition.

Majority Investors shall mean collectively any Investors (excluding the Issuer and Related Parties holding any notes) who hold in aggregate the Notes with the Nominal Value representing at least 2/3 of the aggregate Nominal Value of all outstanding Notes (excluding any Notes held by the Issuer and the Related Parties).

Management Board shall mean the directing body of the Issuer holding the right to represent the Issuer in transactions.

Maturity Date shall mean 10.11.2022., on which the Issuer shall redeem all the Notes issued under the Note Terms.

Merger shall mean the merger of the Target into the Latvian SPV.

Nominal Value shall mean the face value of a single Note, which is EUR 1000.00.

Note shall mean a debt security representing the Issuer's secured and subordinated debt obligation that was issued and will be redeemable in accordance with the Note Terms. The Note is registered in the Register and held intangibly in the Investor's securities account.

Note Terms shall mean Terms and Conditions of UPP Olaines OÜ Subordinated Note Issue dated 31.11.2017 and all its annexes.

Parallel Debt shall mean a payment undertaking and the obligations and liabilities resulting from it by the Issuer to the Collateral Agent set forth in Section 11.1 of the Note Terms.

Property shall mean the following real estate: (buildings and land) located at "Šarlotes", Olaines county, Olaines parish, Latvia, cadastre number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish, consisting of a land plot (cadastre designation 8080 003 0029) and four buildings – freezer (cadastre designation 8080 003 0029 001), warehouse (cadastre designation 8080 003 0029 002), fire-protection reservoir (cadastre designation 8080 003 0029 003) and pumping station (cadastre designation 8080 003 0029 001).

Prospectus shall mean this document. This Prospectus should be always read together with the Note Terms and its annexes.

Prospectus Directive shall mean Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when the Notes are listed.

Prospectus Regulation shall mean Commission Regulation (EC) no. 809/2004

Redemption Price shall mean the payment payable by the Issuer to the Investors upon the regular redemption of the Notes (i.e. on the Maturity Date) or early redemption of the Notes (i.e. on the Early Redemption Date or the Extraordinary Early Redemption Date), calculated in accordance with the Note Terms.

Register shall mean the register of securities maintained by the Registrar.

Registrar shall mean Nasdaq CSD SE Estonian Branch.

Related Parties shall mean the Issuer's shareholders, members of the Issuer's Management Board and supervisory board (if relevant) and legal entities of which the Issuer is a majority shareholder of which are under the Issuer's control.

Relevant Market shall mean the regulated market Nasdaq Tallinn by Nasdaq Tallinn AS, registration number 10359206, legal address Tartu mnt 2, Tallinn, Harju maakond, 10145, Estonia.

Secured Obligations shall mean any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or in any other capacity) of the Issuer towards the Investors or any of them or towards the Collateral Agent from time to time under the Note Terms, including but not limited to the Collateral Agent Agreement, including but not limited to the obligations arising from the Notes and the Parallel Debt.

Subordination Agreement shall mean the agreement concluded on 24.11.2017 between the Issuer, the Latvian SPV, the Investors, the Collateral Agent and the Bank. The Subordination Agreement is an annex to the Note Terms and constitutes an inseparable part of the Note Terms.

SPV shall mean special purpose vehicle.

Target shall mean SIA Olaines Logistics Parks; register code: 40003881015; legal address: "Šarlotes", Grēnes, Olaine county, Olaine parish, LV-2127, Latvia; phone number: +372 6616 45.

2. INTRODUCTION

This Prospectus has been registered with the EFSA, the national competent authority in Estonia, on 23.10.2018 under the number 4.11-1.12/1517. By registering the Prospectus, the EFSA does not guarantee the accuracy of the information provided in the Prospectus. The EFSA has registered this Prospectus in accordance with the provisions in the Estonian Securities Market Act.

2.1. Applicable law

The Prospectus, comprising of the registration document of the Issuer and a securities note of the Notes, has been drawn up in accordance with and is governed by Estonian legislation implementing the Prospectus Directive and in accordance with the Prospectus Regulation, in particular its Annexes IV, V and XXII.

2.2. Third-party information

Certain information provided in this Prospectus may have been sourced from third parties. Where certain market or industry data has been sourced from third party publications, such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer has not independently verified that such published information is fully reliable and accurate. In sections where statements in regards to the market are made without any reference to sources, the information has been compiled on the basis of the Issuer's best judgment and understanding of the market. In any case, any such information may not be complete and the Investors are encouraged to conduct their own investigation into the relevant markets or consult a professional.

2.3. Presentation of information

All information required to be provided by an Issuer is provided in this Prospectus and its annexes, Note Terms and its annexes, and any documents incorporated by reference. The Prospectus and all other information and documents required to be disclosed are available on the webpage of the Issuer at <http://www.unitedpartners.ee/investorile/upp-olaines/>. All information presented on the Issuer's website which has not been incorporated by reference into this Prospectus does not form part of the Prospectus and has neither been inspected nor approved by EFSA.

For the avoidance of confusion, the webpage and its subpages mentioned in the paragraph above are part of the website of the Group.

2.4. Updates

The Issuer will update the information contained only to such extent as required by the applicable law. In particular, any new significant circumstances, mistakes or inaccuracies relating to the information included in the Prospectus which is capable of affecting the assessment of the Notes and which become known between the time when the Prospectus is approved and the time when trading on a market begins shall be immediately stated by the Issuer in a supplement to the Prospectus. Such supplement to the Prospectus will be

registered with the EFSA and made public in the same way and in accordance with at least the same arrangements as were applied when the Prospectus itself was made public. Any such supplement to the Prospectus shall be an integral part of the Prospectus.

In case the Management Board deems important to disclose additional information or amendments to the Issuer, the information will be provided on the Issuer's webpage detailed above.

2.5. Definitions of the terms

In this Prospectus, capitalized terms have the meaning ascribed to them in Sections "Used definitions and abbreviations", with the exception of such case where the terms are defined elsewhere in the Prospectus.

2.6. Forward-looking statements

This Prospectus does not contain any forward-looking financial statements. The Issuer has not made any financial forecasts or profit estimates in this Prospectus.

Certain statements in the Prospectus can be considered forward-looking, particularly in "Summary", "Risk factors", "Competition", "Future investments". Such forward-looking assumptions are based on the beliefs and expectations of the Management Board of the Issuer. The forward-looking statements can be identified, among others, under words such as "plan", "will", "estimate", "expect", "may" and are subject to uncertainties about the future. As such, the Issuer is in no way obligated to update or change its forward-looking statements contained in this Prospectus if they change due to new information or subsequent events.

The accuracy and validity of the forward-looking statements are susceptible to falsity due to the inherently competitive nature of the Issuer's business. Myriad of factors, some outside the control of the Issuer such as macroeconomic, microeconomic, social and political events and developments may have an effect on the business of the Issuer. For details on Risk factors deemed most pertinent to the Issuer as of the date, see "Risk factors" section of this Prospectus.

2.7. Use of prospectus

This Prospectus has been prepared solely for the purpose of listing of UPP Olaines OÜ Notes on Baltic Bond List of Nasdaq Tallinn. This Prospectus is not intended as an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction.

This Prospectus may not be distributed in any jurisdiction other than Estonia where such distribution or sale would require any additional prospectus, registration or other measures or otherwise would be in conflict with the rules and regulations in such jurisdiction. Holders of the Prospectus or Investors are therefore required to inform themselves about, and observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as applicable at any time, or under any U.S. state securities legislation. Furthermore, the Issuer has not registered the Notes under the securities legislation of any other country.

2.8. Documents on display

Some information necessary to be disclosed by the Issuer has been either annexed to this Prospectus or incorporated by reference to the documents accessible on the webpage and/or the location of the Issuer.

Annexed to this Prospectus are the following documents:

- (a) Executive summary of the valuation report extracted from the full valuation report of Olaines Logistics Park (the Property) by an accredited appraiser Colliers International Advisors, dated June 21st, 2017
- (b) Unaudited interim financial report for UPP Olaines OÜ for the period 01.01.2018 - 30.06.2018
- (c) Unaudited interim financial report for UPP Olaines OÜ for the period 01.10.2017 - 31.12.2017
- (d) Note Terms with its annexes: Final Terms, Collateral Agent Agreement, Mortgage Agreement, Subordination Agreement

Incorporated to this Prospectus by reference are the following documents:

- (a) Full valuation report on Olaines Logistics Park (the Property) by an accredited appraiser Colliers International Advisors, dated June 21st 2017
Available at: legal address of the Issuer
- (b) Articles of Association of the Issuer
Available at: <http://www.unitedpartners.ee/investorile/upp-olaines/>; legal address of the Issuer

Documents on display neither annexed to this Prospectus nor incorporated to this Prospectus by reference are the following:

- (a) Estonian translation of the summary of this Prospectus
Available at: <http://www.unitedpartners.ee/investorile/upp-olaines/>; legal address of the Issuer
- (b) Audited annual financial report of SIA Olaines Logistics Parks for the year 2017 in Latvian
Available at: the legal address of the Issuer
- (c) Audited annual financial report of SIA Olaines Logistics Parks for the year 2016 in Latvian.
Available at: the legal address of the Issuer

The documents available at legal address may be inspected during Banking Days at the Issuer's legal address from 9 a.m. to 5 p.m.

2.9. Financial statements

Financial statements of the Issuer have been prepared in accordance with IFRS as adopted in the European Union.

2.10. Language

The official language of this Prospectus is English, the summary of this Prospectus has been translated into Estonian. In case of any differences, the English version of the Prospectus shall prevail.

3. PERSONS RESPONSIBLE

The Issuer represented by its Management Board:



Chairman of the Management Board

Marko Tali

shall be responsible for the authenticity and completeness of all the data presented in this Prospectus.

The signatory certifies that he has taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

4. SUMMARY

Section A – Introduction and warnings

Respective element of the summary and/or the disclosure requirement		Information
A.1	Warning to the Investors and Potential Investors	<p>— This summary should be read as introduction to the Prospectus;</p> <p>— any decision to invest in the Notes should be based on consideration of the Prospectus, the Note Terms and the related documents as a whole by the Investor;</p> <p>— where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;</p> <p>— civil liability attaches only to those persons who have prepared the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the Notes.</p>
A.2	Use of Prospectus for subsequent resale of Notes	Not applicable.

Section B – Issuer and any guarantor

B.1	The legal and commercial name of the Issuer	UPP Olaines OÜ.
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer	Legal address: Pärnu mnt. 141, Tallinn 11314. Legal form of the Issuer: Private limited liability company. Legal status: Legal person.

	operates and its country of incorporation	<p>The Issuer is registered in the Commercial Register of the Republic of Estonia / with registration No. 14318601.</p> <p>The main legislative acts under which the Issuer operates:</p> <ul style="list-style-type: none"> - The Commercial Code; - General Part of the Economic Activities Code Act.
B.4b	The most significant recent trends affecting the Issuer and the industries in which it operates	At the moment of signing the Prospectus, the Issuer has no information at its disposal regarding any recent tendencies that have negatively affected the Issuer or the activity of the logistics and real estate industry.
B.5	The Issuer's participation in a group of companies	<p>The Issuer is a holding company of the Latvian SPV. More specifically, the Issuer services its debt obligations to Investors from rental income up-streamed from the Latvian SPV (prior to the Merger, the rental income is first up-streamed from the Target to the Latvian SPV, and then up-streamed from the Latvian SPV to the Issuer).</p> <p>As of 01.10.2018, the Latvian SPV wholly owns the Target, the legal owner of the Property. Upon completion of the Merger, the Target will cease to exist as a legal entity and the legal owner of the Property shall be the Latvian SPV.</p> <p>The Issuer is a wholly-owned subsidiary of United Partners Property OÜ, which in turn is a wholly-owned subsidiary of United Partners Group OÜ.</p>
B.9	A profit and balance sheet estimate for the next three years	Not applicable. The Issuer has not made any profit and balance sheet estimates for the next three years.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no audit reports on the historical financial information of the Issuer as the Issuer has not published any audited historical financial information.
B.12	Selected historical key financial information and any changes to it since the date of the last published audited financial statements	The consolidated key financial information presented below are extracted from the unaudited 6 months 2018 (01.01.2018 – 30.06.2018) interim financial statements of the Issuer, prepared in accordance with IFRS as adopted in the European Union, including IAS 34

		<p>(in EUR) 6 months 2018</p> <hr/> <p>Net rental income 1,278,097</p> <p>Operating profit 1,148,914</p> <hr/> <p>Profit for the period 164,489</p> <hr/> <p>Total current assets 833,520</p> <p>Investment property 30,544,000</p> <p>Total non-current assets 30,544,000</p> <p>Total current liabilities 1,975,136</p> <p>Total non-current liabilities 29,074,628</p> <p>Total equity 327,756</p> <hr/> <p>Total equity and liabilities 31,377,520</p> <hr/> <p>Total cash flow from / used in operating activities 986,785</p> <p>Total cash flow from / used in investing activities 3</p> <p>Total cash flow from / used in financing activities (1,038,564)</p> <hr/> <p>Net increase / (decrease) in cash and cash equivalents (51,776)</p> <hr/> <p>There have been no material adverse changes in the prospects of the Issuer since the date of its last published unaudited 6 months 2018 interim financial statements.</p>
B.13	Events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	There is no information of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	The statement on independency upon other entities within the group	<p>The Issuer is a holding company, therefore its business performance and ability to service financial obligations is dependent on the performance of its subsidiary, the Latvian SPV (prior to the Merger, the Target) and its owned Property.</p> <p>The Latvian SPV (SIA Olaines Logistics) is a first-tier wholly-owned subsidiary of the Issuer. The Target (SIA Olaines Logistics Parks) is a wholly-owned subsidiary of the Latvian SPV, therefore the Target is a second-tier wholly-owned subsidiary of the Issuer.</p> <p>As of 01.10.2018, the Target is the direct legal owner of the Property. Upon Merger between the Latvian SPV and the Target, which is expected to be completed by the end of 2018, the Target will cease to exist as a legal entity and</p>

		<p>Latvian SPV shall become the direct legal owner of the Property.</p> <p>The Issuer is a subsidiary of United Partners Property OÜ, which in turn is a wholly-owned subsidiary of United Partners Group OÜ. As a wholly-owned subsidiary of United Partners Property OÜ established for the funding and acquiring of Olaines Logistics Park, the Issuer is wholly dependent on United Partners Property OÜ and the underlying Property of the Issuer is part of the real estate investment portfolio of United Partners Property OÜ.</p> <p>Therefore, business decisions agreed upon on the level of United Partners Property OÜ management such as additional investments in new properties or divestments of the Property involving the Issuer have an effect on the operations of the Issuer. However, Investors should bear in mind various restrictions set out in the Note Terms that limit the operations and financial structure of the Issuer until the Notes are fully repaid.</p> <p>More importantly, the Issuer is not dependent on payments from Group companies that are not the Issuer's first-tier or second-tier subsidiaries to service its obligations to Investors.</p>
B.15	The Issuer's principal activities	<p>The sole business of the Issuer is, through the holding of the Latvian SPV (prior to the Merger, through the holding of the Target as a second-tier subsidiary of the Issuer) to own, rent out and manage the Property. More specifically, it services its debt obligations to Investors from rental income up-streamed from Latvian SPV (prior to the Merger, the rental income is first up-streamed from the Target to the Latvian SPV and then up-streamed from the Latvian SPV to the Issuer).</p>
B.16	Control over the Issuer	<p>100% of the Issuer is directly owned by United Partners Property OÜ (registration number: 11146281).</p> <p>The ultimate beneficial owners of the Issuer are two shareholders of the ultimate parent company of the Group (United Partners Group OÜ, registration number: 11019333) who both have a 50% ownership in it: Tarmo Rooteman (resident of Estonia, identification code 37307214220) and Mart Tooming (resident of Estonia, identification code 36810102751).</p>
B.17	Credit ratings	<p>Not applicable, no credit rating has been assigned to the Issuer or the Notes.</p>

Section C – Securities

C.1	Type and the class of the securities, ISIN	The Notes are coupon debt securities, representing the Issuer's subordinated secured debt obligation. The Nasdaq CSD SE Estonian Branch is the record-keeper of the Notes. The Notes are registered with the ISIN Code: EE3300111350.
C.2	Currency of the Notes	EUR
C.5	Restrictions on the free transferability of the Notes	The Notes are freely transferable and can be freely encumbered.
C.8	Description of the rights attached to the Notes, including ranking and limitations to those rights	<p>The Investor shall have the right to receive interest payments and Redemption Price payments in accordance with the Note Terms, as well as other respective rights in accordance with the applicable legislative acts and the Note Terms.</p> <p>The claims of the Investors arising from the Note Terms are subordinated to the claims of the Bank against the Latvian SPV under the Loan Agreement described in the Note Terms and to any possible claims of the Bank against the Issuer under the Subordination Agreement. For the avoidance of doubt, the claims of the Collateral Agent arising from the Note Terms are not subject to subordination under the Subordination Agreement.</p> <p>The Issuer shall disclose all the information related to the Notes in accordance with the applicable legislation and rules of the Relevant Market.</p>
C.9	Interest rate, interest payment dates, maturity date, repayment procedure, yield, representative of Investors	<p>The Interest Rate is 7 per cent. per annum.</p> <p>Interest Payment Dates are February 10th, May 10th, August 10th and November 10th of each year or, to the extent such day is not Banking Day, the next Banking Day following such date. The first Interest Payment Date for the Notes shall be February 10th, 2018 and the last Interest Payment Date shall be on Maturity Date, or if applicable, on the Early Redemption Date or Extraordinary Early Redemption Date.</p> <p>Maturity Date of the Notes is 10.11.2022., on which the Issuer shall redeem all the Notes.</p> <p>The Notes shall be redeemed, i.e. the redemption amount shall be paid to the Investors as a lump sum on the Maturity Date, i.e. 10.11.2022, or if applicable, on the</p>

		<p>Early Redemption Date or Extraordinary Early Redemption Date.</p> <p>The Redemption Price to be paid to the Investor on the Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with unpaid interest accrued up to and including the Maturity Date and any other monies still owed to the Investor at the Maturity Date.</p> <p>The Redemption Price of the Notes shall be paid to the Investors who according to the Register's information, are the owners of the Notes as at the end of the business day of the settlement system of the Register, 4 Banking Days before the Maturity Date or Early Redemption Date, as applicable.</p> <p>The Redemption Price payments are paid by the Issuer itself.</p> <p>In accordance with the Note Terms and subject to Subordination Agreement, at any time after the Extraordinary Early Redemption Event has occurred the Investor shall have the right, but not an obligation, to demand from Issuer an immediate redemption of its Notes; in such a case the Issuer is obliged to redeem the respective Notes with paying the Redemption Price for the Notes to the relevant Investor within 10 Banking Days, assuming that a respective consent has been issued by the Bank. If the Majority Investors have instructed the Collateral Agent to enforce the Collateral (for the avoidance of doubt, the Majority Investors have such right only if the Secured Obligations are not performed in accordance with their respective terms, and in their instructions to enforce the Collateral the Majority Investors have to specify which Secured Obligations have been breached), all Notes shall be subject to Extraordinary Early Redemption. The Investor must be aware that the Collateral Agent can enforce the Collateral only upon the consent of the Bank, as the Notes are fully subordinated to the Bank.</p> <p>Subject to subordination, the Issuer may redeem all or part, of the outstanding Nominal Value of the Notes on the Early Redemption Date, i.e. from 10.11.2021. The Issuer shall notify the Investors by post or e-mail of such wish before the Early Redemption Date by stating also the amount or extent of redemption. The Redemption Price to be paid to the Investor on the Early Redemption Date equals the portion of the Nominal Value as indicated in the notification sent to the Investors together with the unpaid interest accrued up to and including the relevant Early Redemption Date. Early Redemption shall be made by the Issuer giving not less than ten (10) Banking Days' notice.</p>
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		Provided that the Issuer has used its right for early redemption and the Issuer has not paid the payments to be made on the Early Redemption Date in full amount for more than 5 Banking Days from the relevant Early Redemption Date, the Investor shall have the right, but not the obligation, to demand immediate redemption of the Notes held by the Investor.
C.10	Derivative component in the interest payment	Not applicable.
C.11	Admission to trading on a regulated market or other facility	The Issuer plans to apply for the listing on the regulated market operated by Nasdaq Tallinn AS all the issued Notes. The expected date of listing of the Notes is 12.11.2018. The settlements for the Notes will be ensured by the Register.
C.12	The minimum denomination of an issue	The Nominal Value of each Note is EUR 1000.00, the total nominal value of the Notes is EUR 6,215,000. The total amount of Notes is 6,215.

Section D – Risk Factors

D.2	The key risk factors that are specific to the Issuer	<p>The main risk factors affecting the financial performance of the Issuer and the Latvian SPV (prior to the Merger, all risks related to the ownership of the Property and contractual obligations with the tenants of the Property technically stem from the Target):</p> <p>(a) Credit risk</p> <p>Credit risk is a risk that the Issuer’s counterparties may not fulfil their obligations to the Issuer. Since the main obligations towards the Issuer are up-streamed rental payments from Latvian SPV, the credit risk of the Issuer stems from the credit risk of the Latvian SPV. For the Latvian SPV, this credit risk mainly stems from the rental payment obligations of the tenants. Delayed payments or default on part of the tenants may have a negative effect on the business results of the Latvian SPV.</p> <p>(b) Competition risk</p> <p>The Issuer competes with other owners and operators of cold storage warehouses (including current tenants of the Property who may choose to own and operate temperature-controlled warehouses in-house). The</p>
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		<p>Issuer cannot preclude the entrance of new warehouses with large cold storage capabilities that may have a competitively stronger position in the market, either due to size, technology, location, or other characteristics. As a result, the Property may not be as attractive in the market and may require the lowering of rental rates to retain and/or find new tenants.</p> <p>(c) Concentration risk</p> <p>As the Latvian SPV (prior to the Merger, the Target) owns only one Property with a tenant base highly concentrated in two anchor tenants who together lease 89% of the gross leasable area and provide 86% of the total rental income, the business operations of the Latvian SPV and consequently its ability to meet all financial obligations are highly dependent on the ability to receive rental income from the anchor tenants in a duly and timely manner. As the Issuer receives up-streamed rental income from the Latvian SPV, therefore this risk is translated to the Issuer.</p> <p>(d) Asset-specificity risk</p> <p>The competitive edge of the Property in the warehouse market lies foremost in the size and capability of its cold storage area.</p> <p>In case of failure to renew lease contracts in the future or the early termination of lease contracts with the current tenants, it may be difficult to find a new tenant for the cold storage space in a timely manner. A significant decline in the demand for cold storage in the market may exacerbate this situation further.</p> <p>(e) Liquidity risk</p> <p>Liquidity risk is the risk that the Issuer lacks sufficient access to liquidity or credit commitments to cover its contractual payment obligations, including payments to Investors. The specific liquidity risk for the Issuer stems from the possible mismatch between rental income up-streamed from the Latvian SPV and external obligations towards Investors. The up-streamed rental income in turn exposes the Issuer to Latvian SPV's liquidity risk. The liquidity risk of Latvian SPV stems from the possible mismatch between rental and utilities income and obligations towards debtholders and utilities service providers.</p> <p>(f) Risk from changes in the value of the Property</p>
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		<p>The Property is recorded in the balance sheet at the fair value and the value changes are reflected in the income statement.</p> <p>The value of the Property is affected by multiple factors, both property specific and market specific. In the case of deterioration of the fair value of the Property, this may cause the Latvian SPV to write down the value of its investment properties, resulting in negative impact on the Latvian SPV's, and consequently the Issuer's business and financial position.</p> <p>(g) Refrigeration breakdown risk</p> <p>Olaines Logistics Park may be at risk of breakdown of the refrigeration equipment. Breakdown can be caused by power outages, failure of water supply and/or air compressor breakdown. Such breakdowns could harm our tenants and their businesses. While the Latvian SPV has entered into an insurance agreement to mitigate the financial repercussions of breakdowns, breakdowns may affect the reputation of the Property.</p> <p>(h) Risk from dependence on key employees</p> <p>The Issuer and the Latvian SPV depend on key personnel, in particular on their respective management members. These members have a long experience regarding real estate transactions, real estate development and management, and in particular, the knowledge regarding the Property and the related transaction.</p> <p>(i) Insurance risk</p> <p>SIA Olaines Logistics Parks (upon completion of the Merger, the Latvian SPV) has entered into an insurance agreement on the Property that in the Management Board's estimation adequately covers all possible damages that may befall the Property. However, there may be risks that the Property is not insured against. In the event that such events occur that are not covered by the aforementioned insurance agreement, the value of the Property may fall.</p> <p>(j) Interest rate risk</p> <p>The Latvian SPV has entered into a Loan Agreement with the Bank. The interest of the loan has a fixed-rate component and variable-rate component. Therefore, any changes in the market interest rates will translate to changes in interest payments towards the Bank. In the event of rising interest rates, this increases the interest</p>
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		<p>payments to Bank. To manage this risk, the Latvian SPV has concluded an interest swap agreement with the Bank.</p> <p>(k) Risk from inflexibility due to financial covenants</p> <p>The Note Terms, Subordination Agreement and the Loan Agreement stipulate certain conditions that restrict the Issuer’s business activity and financing arrangements. In case of adverse conditions either in the market or business, this may limit the Issuer’s options to proceed with most optimum business and financial decisions, or it may accelerate default.</p> <p>(l) Dependency on cash-flows from the Latvian SPV</p> <p>The Issuer is a holding company conducting its operations through its subsidiary, the Latvian SPV (prior to the Merger, Latvian SPV owns the Target which is the legal owner of the Property). The Issuer itself does not own significant assets other than the loan granted to the Latvian SPV and investment into the Latvian SPV. Therefore, in order to be able to meet its obligations arising from the Notes, the Issuer is dependent on the receipt of interest payments, loan payments, dividends or payments from the share capital decrease of the Latvian SPV. Therefore, the Issuer’s financial position and ability to meets its obligations is dependent on the ability of the Latvian SPV to meet its obligations towards the Issuer.</p>
D.3	The key risks that are specific to the Notes	<p>Security-specific risks related to the issued Notes are as follows:</p> <p>(a) Liquidity risk</p> <p>The Issuer will apply for the listing of the Notes in the Baltic Bond List of Nasdaq Tallinn after Estonian Financial Supervisory Authority (<i>Finantsinspektsioon</i>) has approved this Prospectus for the purpose. However, the Issuer cannot guarantee that sufficient demand and trading with the Notes will exist from the time of listing to provide ample liquidity for the Investor.</p> <p>This may result in an Investor being unable to sell his or her Notes at the desired time and/or at a desired yield.</p> <p>(b) Interest rate risk</p> <p>The Notes bear interest on its outstanding Nominal Value at a fixed interest rate. Investors are exposed to the risk that the value of the Notes falls as a result of changes in the market interest rate. While the nominal interest rate of the Note is fixed until its redemption, the prevailing</p>

		<p>capital market rates change on a daily basis. If the market interest rate increases, the market value of the Note may fall.</p> <p>(c) Credit risk</p> <p>Investors in the Notes assume the Issuer’s credit risk. Payments to Investors are dependent on the Issuer’s ability to meet its financial obligations in a duly and timely manner, in particular towards obligations senior to the Notes. This in turn is largely dependent on the business performance and financial position of the Issuer.</p> <p>(d) Early redemption risk</p> <p>The Issuer has reserved the right to redeem all or part of the outstanding Nominal Value of the Notes on the Early Redemption Date, i.e. from 10.11.2021. However, there is a risk that the market value of the Notes is higher than the early redemption amount paid to the Investors at the time of the Early Redemption Date. As such, the rate of return for the Investor may be lower than initially expected.</p> <p>(e) Extraordinary early redemption risk</p> <p>Any time after the Extraordinary Early Redemption Event, the Investors are entitled to demand from Issuer an immediate redemption of its Notes. Such early redemptions may have a material adverse effect on the Issuer’s business and financial condition, and thereby, on the Issuer’s ability to fulfil its obligations under the Notes towards Investors, as well as the market price of such Notes.</p> <p>(f) Risk from lack of ownership rights</p> <p>The Notes represent a secured subordinated debt obligation of the Issuer and grant the Investors only such rights as set forth in the Note Terms. The Notes do not confer any legal or beneficial interest in the equity of the Issuer nor in any of its subsidiaries. Consequently, the Investors cannot influence any decisions of the Issuer’s shareholders concerning the business activities and financial position of the Issuer unless such decisions breach the Note Terms.</p> <p>(g) Risk from amendments to Note Terms</p> <p>Note Terms may be amended by the Issuer upon consent of the Majority Investors. If Note Terms are amended, the Investors who did not grant their consent have a possibility to redeem the Notes at the Redemption Price.</p>
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		<p>However, this may expose such an Investor to early redemption risk and its consequences as explained above.</p> <p>(h) Subordination risk</p> <p>The claims of the Investors arising from the Note Terms are subordinated to the claims of the Bank against the Latvian SPV. This subordination restricts, among other conditions stated in the Note Terms, the Issuer from making payments of the Nominal Value of the Note to the Investors, as well as Investors from initiating enforcement of the Collateral without prior written consent from the Bank.</p> <p>Upon the liquidation or bankruptcy of the Issuer, the Investors are not entitled to any payments due under the Note Terms until the full and due satisfaction of the all the claims senior to the claims of the Investors.</p> <p>Furthermore, in accordance with the Note Terms, the Investors shall not demand redemption of the Notes (all or part of the outstanding Nominal Value of the Notes) neither on the Maturity Date, Early Redemption Date nor, if applicable, in case of occurrence of Extraordinary Early Redemption Event without prior written consent from the Bank.</p> <p>(i) Collateral agent risk</p> <p>By investing in the Notes, each Investor accepts the appointment of the Collateral Agent as its agent and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under the Note Terms. A failure on part of the Collateral Agent to perform its duties and obligations properly in accordance with the Note Terms may adversely affect the enforcement of the rights of the Investors.</p>
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Section E – Offer

E.2b	Reasons for the offer and use of proceeds (if different from creation of sources of finance and/or hedging certain risks)	<p>The purpose of the Issue was the funding of the Acquisition of 100% shares of the Target by the Latvian SPV to gain ownership of the Property.</p> <p>The total amount of proceeds was EUR 6,215,000.</p> <p>The total cost of the emission, including collateral agent and mortgage fees, was EUR 130,000.</p>
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		The proceeds from the issuance of Notes were given as an owner's loan from the Issuer to the Latvian SPV, a direct subsidiary of the Issuer, which in turn acquired 100% of shares of the Target who is the legal owner of the Property, for EUR 32,386,638.
E.3	Terms and conditions of the offer	Not applicable. There will not be a public offer of the Notes by the Issuer as this Prospectus is only for listing purposes, and private placement has been already done.
E.4	The interests that are material to the issue including conflicting interests	Not applicable. There will not be a public offer of the Notes by the Issuer as this Prospectus is only for listing purposes, and private placement has been already done.
E.7	Estimated expenses charged to the Investor by the Issuer	The Investor shall bear all the expenses related with the purchase and custody of the Notes in accordance with the price-list of the credit institution or the provider of investment management services used for settlements and custody of the Notes. The Issuer has no obligation to compensate to the Investor the incurred expenses. Additional expenses may arise due to tax obligations of the residence state of the Investor. The Issuer will withhold tax payments from the Interest payments in accordance with the terms of the Prospectus.

5. RISK FACTORS

5.1. General overview

Investing into the Notes entails various risks. Each prospective investor in the Notes should thoroughly evaluate all available information in this Prospectus and Note Terms before making an investment decision. The risk factors that could influence the value of the Notes are risks related to issued securities (section 5.2 of this Prospectus), risks related to the Issuer (section 5.3), or other risks (section 5.4). Besides the risk factors described below, other risks influencing the Notes may exist and should be considered by the prospective investor. All such risks may have a materially adverse effect on the business operations, financial condition or prospects of the Issuer and consequently result in the decline of the value of the Notes or the ability of the Issuer to meet its financial obligations towards debtholders, especially the Investors.

The Notes and the Interest payments are secured and subordinated.

The Investor should bear in mind that the repayment of the Notes and the Interest payments are secured with a 3rd-rank mortgage in the amount of EUR 8,079,500 on the Property pursuant to Note Terms.

5.2. Security-specific risks

Security-specific risks related to the issued Notes could be outlined as follows, in no particular order of their probable occurrence:

(a) Liquidity and volatility risk

The Issuer will apply for the listing of the Notes on the Baltic Bond List of Nasdaq Tallinn after Estonian Financial Supervisory Authority (*Finantsinspeksioon*) has approved this Prospectus for the purpose. However, the Issuer cannot guarantee that sufficient demand and trading with the Notes will exist from the time of listing to provide ample liquidity for the Investor. This is particularly the case for Baltic bond markets which are still undeveloped with relatively low trading volume and high volatility in comparison to exchanges in countries with more robust and developed public financial markets.

Furthermore, following the successful listing of the Notes, the liquidity and trading price of Notes may change as a result of numerous factors outside of the Issuer's performance, including general market movements. This may result in an Investor being unable to sell his or her Notes at the desired time and/or at a desired yield which are comparable to similar investment products that have an existing and functioning secondary market.

(b) Interest rate risk

The Notes bear interest on its outstanding Nominal Value at a fixed interest rate. Investors are exposed to the risk that the value of the Notes falls as a result of changes in the market interest rate. While the nominal interest rate of the Note is fixed until its redemption, the prevailing capital market rates change on a daily basis. If the market interest rate increases, the market value of the Note may fall. Investors should be aware that movements in market interest rates can negatively affect the value of the Notes and can lead to losses for the Investors if they decide to sell the Notes.

(c) Credit risk

Investors in the Notes assume the Issuer's credit risk. Payments to Investors under the Note Terms are dependent on the Issuer's ability to meet its financial obligations in a duly and timely manner, in particular towards obligations senior to the Notes. This in turn is largely dependent on the business performance and financial position of the Issuer. The Issuer's business conditions and financial position may be influenced by multiple factors, some which are listed in section 5.2 of this Prospectus.

An increased credit risk of the Issuer may cause the market to demand a higher risk premium for the Notes which in turn would have a negative effect on the market value of the Notes.

(d) Risk from lack of credit rating on the Notes

Neither the Issuer nor the Notes are currently rated by any credit rating agency. As such, the investors are not able to refer to any independent credit rating when evaluating factors affecting the value of the Notes. This absence of rating may also negatively affect the liquidity of the Notes as certain market participants may be prohibited or limited from investing in unrated Notes. One or more independent rating agencies may independently assign a credit rating to the Issuer and/or the Notes after the listing of such Notes on Nasdaq Tallinn. These ratings may not reflect the impact of all the risks and factors that may affect the value of the Notes and should not be viewed as a recommendation to buy, hold or sell the Notes.

(e) Early redemption risk

Pursuant to the Note Terms, the Issuer has reserved the right to redeem all or part of the outstanding Nominal Value of the Notes on the Early Redemption Date, i.e. from 10.11.2021. However, there is a risk that the market value of the Notes is higher than the early redemption amount paid to the Investors at the time of the Early Redemption Date. As such, the rate of return for the Investor may be lower than initially expected, in particular for Investors who had prepared to hold the Notes until the Redemption Date. Furthermore, the Investor may not be able to reinvest such proceeds in a security with a comparable investment profile and effective interest rate as high as the Notes being redeemed if the prevailing market interest rates at the time of redemption are lower.

(f) Extraordinary early redemption risk

As specified in section 15 of the Note Terms, at any time after the Extraordinary Early Redemption Event, the Investors are entitled to demand from Issuer an immediate redemption of its Notes. Such early redemptions may have a material adverse effect on the Issuer's business and financial condition, and thereby, on the Issuer's ability to fulfil its obligations under the Notes towards Investors, as well as the market price of such Notes.

If Majority Investors in accordance with Section 12.3.2 of the Note Terms instruct the Collateral Agent to enforce the Collateral, all Notes shall be subject to extraordinary early redemption. As such, any Investor who does not exercise their right to early redemption may be forced to comply with the decision of the Majority Investors.

(g) Risk from lack of ownership rights

The Notes represent a secured subordinated debt obligation of the Issuer and grant the Investors only such rights as set forth in the Note Terms. The Notes do not confer any legal or beneficial interest in the equity of the Issuer nor in any of its subsidiaries. Consequently, the Investors cannot influence any decisions of the Issuer's shareholders concerning the business activities and financial position of the Issuer unless such decisions breach the Note Terms. The value of the Notes may be affected by the actions of the shareholders of the Issuer that the Investors have no control over.

(h) Legislation risk

The rights and obligations arising from the Note Terms are based on Estonian law applicable at Issue Date. There is a risk that future changes of legislation or new legislation, including amendments or introduction of European Union legislation, could negatively affect the Issuer's business operations and financial position. This may in turn have a detrimental effect on the Issuer's ability to meet its obligations toward the Investors.

Additionally, there may be adverse changes in the tax regime applicable in respect of transacting with the Notes or receiving payments on the Notes. Such changes may result in increased tax burden for the Investors and may in turn have a negative effect on the rate of return from the investment to the Notes.

(i) Risk from amendments to Note Terms

Note Terms may be amended by the Issuer upon consent of the Majority Investors, pursuant to the procedure set forth in section 16 of the Note Terms. If Note Terms are amended, the Investors who did not grant their consent have a possibility to redeem the Notes at the Redemption Price. However, this may expose such an Investor to early redemption risks and its consequences as explained above.

(j) Subordination risk

The claims of the Investors arising from the Note Terms are subordinated to the claims of the Bank against the Latvian SPV in accordance with Section 7 of the Note Terms. This subordination restricts, among other conditions stated in the Note Terms, the Issuer from making payments of the Nominal Value of the Note to the Investors, as well as Investors from initiating enforcement of the Collateral without prior written consent from the Bank.

In the event of liquidation or bankruptcy of the Issuer, all liabilities of the Issuer arising from the Note Terms towards the Investors are settled after the claims of the Bank against the Issuer arising from the Subordination Agreement and Loan Agreement have been fully settled pursuant to applicable legislation. Thus, upon the liquidation or bankruptcy of the Issuer, the Investors are not entitled to any payments due under the Note Terms until the full and due satisfaction of the all the claims senior to the claims of the Investors. This may have a detrimental effect on the Issuer's ability to meet its obligations towards the Investors.

Furthermore, in accordance with the Note Terms, the Investors shall not demand redemption of the Notes (all or part of the outstanding Nominal Value of the Notes) neither on the Maturity Date, Early Redemption Date nor, if applicable, in case of occurrence of Extraordinary Early Redemption Event without prior written consent from

the Bank (for the avoidance of doubt, the Investors have a right to demand redemption of the Notes on Early Redemption Date or on the Extraordinary Early Redemption Date, if the Bank has granted its consent for the relevant redemption). However, provided that the financial covenants described in the Loan Agreement have been properly fulfilled as of the Maturity Date or the Early Redemption Date of the Notes, there is no reason to assume that such consent would be unreasonably withheld by the Bank. In case of occurrence of Extraordinary Early Redemption Event, the Investor is entitled to demand Extraordinary Early Redemption only if the Bank has granted the Issuer prior written consent or when the claims are no longer subordinated in accordance with the Subordination Agreement, whichever takes place earlier.

(k) Collateral agent risk

By investing in the Notes, each Investor accepts the appointment of the Collateral Agent as its agent and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under the Note Terms. A failure on part of the Collateral Agent to perform its duties and obligations properly in accordance with the Note Terms may adversely affect the enforcement of the rights of the Investors, for example, inability to liquidate the Collateral and/or receive any or all amounts payable from the Collateral in a timely and efficient manner. This may result in the Investor losing entire, or parts of, its investment.

In addition, as per section 13 of Note Terms, the proceeds from the enforcement of the Collateral shall be applied first towards the satisfaction and payment of all fees, costs and expenses and damages related to performance of its duties by, or payable to, the Collateral Agent under the Note Terms, provided that the fees, costs and expenses have occurred on reasonable market price. If the full satisfaction, payment and deduction of all claims and amounts set forth in 13.1.1 of Note Terms do not cover the claims under Section 13.1.2 of Note Terms, the claims arising from the Notes shall be satisfied pro rata. This may result in the Investor losing entire, or parts of, its investment.

(l) Depository risk

The Notes are dematerialized securities issued in the book-entry system of the Register. Clearing and settlement in relation to the Notes, as well as payment of interest and redemption of principal amounts will be performed within the Register's system. The Investors therefore are dependent on the functionality of the Register. Any malfunction or delay in the book-entry securities system of the Register may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause material damage to Investors whose rights depended on the timely and successful completion of the transaction.

5.3. Risks related to the Issuer

The following section describes risks mainly originating from the Issuer in no particular order regarding their probable occurrence. Due to the nature of the Issuer as a holding company, this section also contains risks originating from the Latvian SPV¹ and its owned Property.

¹ As of 01.10.2018, the Merger of the Latvian SPV and SIA Olaines Logistics Parks (the direct legal owner of the Property) has not yet been initiated but is expected to be started in October 2018. Upon

(a) Credit risk

Credit risk is a risk that the Issuer's counterparties may not fulfil their obligations to the Issuer. Since the main obligations towards the Issuer are up-streamed rental payment from Latvian SPV, the credit risk of the Issuer stems from the credit risk of the Latvian SPV. For the Latvian SPV, this credit risk mainly stems from the rental payment obligations of the tenants. Delayed payments or default on part of the tenants may have a negative effect on the business results of the Latvian SPV. To mitigate such risks, the Latvian SPV consistently monitors payment behaviour of the tenants and undertakes any communication and actions to identify and resolve problems early on. In addition, the Latvian SPV has entered and in the future (either with existing tenants or new tenants) enters into lease agreements only with lessees that have been analysed to be financially stable and able to meet their commitments in the future.

(b) Risk from delegation of tasks to third parties

The Issuer has outsourced tasks relating to property management and accounting to external third parties. It is possible that some knowledge regarding the Property and its administrative processes gets lost upon delegating such tasks, and the Issuer may be unable or delayed in identifying and contracting the most suitable and reliable service providers in a timely manner. This may have materially adverse effects on the Latvian SPV, the underlying property, and as a consequence, on the business performance of the Issuer.

(c) Competition risk

The Issuer competes with other owners and operators of cold storage warehouses (including current tenants of the Property who may choose to own and operate temperature-controlled warehouses in-house). While Olaines Logistics Park was built in 2007 and is a modern facility with largest cold storage space in the Latvian market as of 2018, the Issuer cannot preclude the entrance of new warehouses with large cold storage capabilities that may have a competitively stronger position in the market, either due to size, technology, location, or other characteristics. As a result, the Property may not be as attractive in the market and may require lowering of rental rates to retain and/or find new tenants. In order to retain the Property's competitive edge in the face of new entrants, the Issuer may have to undertake considerable investments to develop and enhance the facility.

(d) Concentration risk

As the Issuer owns only one Property with a tenant base highly concentrated in two anchor tenants who together lease 89.5% of the gross leasable area and provide 86.6% of the total rental income, the business operations of the Issuer and consequently its ability to meet all financial obligations are highly dependent on the ability to receive rental income from the anchor tenants in a duly and timely manner. Any adverse events, either macroeconomic or business-specific, that have a negative effect on the business and financial standing of the respective anchor tenants may consequently result in

completion of this merger (expected by the end of 2018), Latvian SPV will become the direct legal owner of the Property.

considerable material impact for the Issuer if such tenants stop or delay their rental payments.

(e) Asset-specificity risk

The Property is a logistics park that includes both dry and cold storage across the two buildings, with cold storage covering 52%, dry storage 33% and office and other general space 15% of gross leasable area. Therefore, the primary storage type of the facility is cold storage, and its competitive edge in the warehouse market lies foremost in the size and capability of its cold storage area.

In case of failure to renew lease contracts in the future or the early termination of lease contracts with the current tenants, it may be difficult to find a new tenant for the cold storage space in a timely manner. A significant decline in the demand for cold storage in the market may exacerbate this situation further. While it is possible to repurpose the cold area to dry storage the expected lower market rent for dry storage, may have a detrimental effect on the Issuer's financial position.

(f) Liquidity risk

Liquidity risk is the risk that the Issuer lacks sufficient access to liquidity or credit commitments to cover its contractual payment obligations, including payments to Investors. The specific liquidity risk for the Issuer stems from the possible mismatch between rental income up-streamed from the Latvian SPV and external obligations towards Investors. The up-streamed rental income in turn exposes the Issuer to Latvian SPV's liquidity risk. The liquidity risk of Latvian SPV stems from the possible mismatch between rental and utilities income and obligations towards debtholders and utilities service providers.

To manage Latvian SPV's liquidity risk, and consequently, the Issuer's liquidity risk, two approaches are taken:

- Rental income and utilities payments are contractually matched with the obligations towards debtholders and utilities providers, taking into consideration any possible delays from incoming payments
- A guarantee fund in a form of specific account within the Bank has been established, where accumulated free cash is channelled until it reaches a total of EUR 300,000² to serve as a buffer for payments to service liabilities towards debtholders, including Investors

(g) Risk from changes in the value of the Property

The Property is recorded in the balance sheet at the fair value and the value changes are reflected in the income statement, although unrealized changes in value have no impact on the cash flow. Latvian SPV performs a quarterly valuation of the Property by itself, and once a year requests a valuation report from an accredited appraiser.

The value of the Property is affected by multiple factors, mainly property-specific such as rental rates, vacancy, depreciation, but also by market specific factors like real estate yields and cost of capital. In the case of deterioration of the fair value of the Property, this may cause the Latvian SPV to write down the value of its investment properties, resulting

² As of 01.10.2018, a total of EUR 300,000 has accumulated to the guarantee fund.

in negative impact on the Latvian SPV's, and consequently the Issuer's business and financial position.

(h) Refrigeration breakdown risk

Olaines Logistics Park may be at risk of breakdown of the refrigeration equipment. Breakdown can be caused by power outages, failure of water supply and/or air compressor breakdown.

Power outages that last more than the backup solutions can provide for and/or hamper the proper functioning of the refrigeration system in such a way that cannot be sufficiently mitigated could harm our tenants and their businesses, particularly tenants who operate in the grocery business and store items that may perish without the proper functioning of the refrigeration system. Failure of water supply and air compressor breakdown can have similar consequences. To mitigate liability to the losses incurred and the negative effect on its financial position, the Latvian SPV has entered into an insurance agreement, however the Issuer cannot guarantee that the insurance covers all risks. In addition, the Latvian SPV has entered into an agreement with a technical property manager who is responsible for monitoring the functioning of the refrigeration system at all times.

Despite mitigating the effect of this risk financially, such events may affect the reputation and it may be difficult to attract new tenants as a result. In case there is significant damage to the facilities' equipment, additional costs in repairing or replacing the equipment may occur. Any such events may have materially adverse effects.

(i) Risk from dependence on key employees

The Issuer and the Latvian SPV depend on key personnel, in particular on their respective management members. These members have a long experience regarding real estate transactions, real estate development and management, and in particular, the knowledge regarding the Property and the related transaction. However, the Group works to mitigate this risk at all times by involving and informing junior personnel to ensure that there is a continuity of information in regards to the Issuer, the Latvian SPV and the Property.

(j) Risk from reputation of the Group

The Issuer is a subsidiary of United Partners Property OÜ, which in turn is a wholly-owned subsidiary of United Partners Group OÜ. While the ownership of the Property has been structured in such a way to avoid any operational and financial risks of the Group spilling over to the Issuer, the Group and any of its companies not related to the Issuer may suffer from damage to their reputation. This negative publicity may spill over to the Issuer and in turn to the Latvian SPV, and this may affect the Latvian SPV's ability to attract tenants, affecting its business performance.

(k) Insurance risk

SIA Olaines Logistics Parks (upon completion of the Merger, the Latvian SPV) has entered into an insurance agreement on the Property that in the Management Board's estimation adequately covers all possible damages that may befall the Property. However, there may be risks that the Property is not insured against, such as earthquakes, floods and riots because the probability of such events is very low and it is economically not feasible to arrange such insurances. In the event that such events occur that are not covered by the aforementioned insurance agreement, the value of the Property may fall, have a negative

effect on the Issuer's financial results and require undertaking of repairs requiring further expenses.

(l) Interest rate risk

The Latvian SPV has entered into a Loan Agreement with the Bank. The interest of the loan has a fixed-rate component and variable-rate component. The variable-rate component is contractually linked to the 3-month EURIBOR. Therefore, any changes in the market interest rates will translate to changes in interest payments towards the Bank. In the event of rising interest rates, this increases the interest payments to Bank.

To manage this risk, the Latvian SPV has concluded an interest swap agreement with the Bank to fix the 3-month EURIBOR for the next five years.

(m) Risk from inflexibility due to financial covenants

The Note Terms, Subordination Agreement and the Loan Agreement stipulate certain conditions that restrict the Issuer's business activity and financing arrangements, including, among others a debt-service coverage ratio rule and limitation of the Issuer's and the Latvian SPV's business activity solely to the owning and managing of the Property. In case of adverse conditions either in the market or business, this may limit the Issuer's options to proceed with the most optimum business and financial decisions, or it may accelerate default.

For detailed information regarding restrictions, see section 7.9 of this Prospectus.

(n) Dependency on cash-flows from the Latvian SPV

The Issuer is a holding company conducting its operations through its subsidiary, the Latvian SPV³. The Issuer itself does not own significant assets other than the loan granted to the Latvian SPV and investment into the Latvian SPV. Therefore, in order to be able to meet its obligations arising from the Notes, the Issuer is dependent on the receipt of interest payments, loan payments, dividends or payments from the share capital decrease from the Latvian SPV. Therefore, the Issuer's financial position and ability to meet its obligations is dependent on the ability of the Latvian SPV to pay interest payments, loan payments and dividends to the Issuer.

5.4. Other risks

Other risks not related specifically to the Notes or the Issuer may be outlined as follows:

(a) Macroeconomic risk

Real estate industry and consequently the Issuer is highly correlated with macroeconomic fluctuations. Changes in the business cycle, GDP, employment, investment, employment, structural changes in the economy, general interest rate movements can all have a considerable impact on the transaction and rental market: yields, rental rates, vacancy levels, supply and demand of real estate properties.

³ As of 01.10.2018, the Merger of the Latvian SPV and SIA Olaines Logistics Parks (the direct legal owner of the Property) has not yet been initiated but is expected to be started in October 2018. Upon completion of this merger (expected by the end of 2018), Latvian SPV will become the direct legal owner of the Property.

The Property is located in Latvia, an open, small country tightly linked with the European and global economy. Members of the European community are important partners of trade, sources of investments, and since the adoption of euro, European Central Bank sets the basis for the monetary policy of Latvia. Any changes and trends affecting Europe at large will influence the Latvian economy.

Economic growth impacts industrial production, logistics, wholesale and retail trade, which in turn have an influence on the demand for industrial-logistics premises in the tenant and investment market. Adverse changes and slowing of the overall economy can result in lower demand for premises, increasing vacancies and depressing rental rates in the warehouse property market.

Another source of macroeconomic risk is inflation. While post-crisis inflation has been relatively low in Eurozone and in Latvia, 2017 marked the highest average annual inflation in the Latvia of the past 5 years at 2.9%⁴. However, the Latvian SPV has entered into lease agreements that are indexed to Latvian HICP index, therefore all cost from inflation are passed to the tenants.

Due to the location of the Property and as the only property of the Issuer, macroeconomic risk of Latvia is largely identical to the geographical concentration risk of the Issuer.

(b) Tax and legislation risk

Changes in legislation related to corporate income tax, property tax and land tax, either in Republic of Estonia (relating to the Issuer) or Republic of Latvia (in regards to the Latvian SPV) and other taxation-related changes could adversely affect the Issuer's profitability. In addition, changes in legislation regarding lease or environmental legislation could also have a negative impact on the Issuer.

⁴ HICP calculated on basis of 12-month average rate of change

6. NOTES

The following section is not intended to be complete and cover all details of the Notes. For a more comprehensive understanding of the Notes, see the Note Terms. The following section should be at all times read and interpreted in conjunction with the Note Terms.

6.1. Interest of natural and legal persons involved in the issue

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

6.2. The purpose of the Issue and use of funds

6.2.1

The purpose of the Issue was the funding of the Acquisition of 100% shares in the Target by the Latvian SPV to gain ownership of the Property.

6.2.2.

The net income generated from the Notes issue were entirely used for financing the purchase of the Property as described above.

The total amount of proceeds was EUR 6,215,000.

The total cost of the emission, including collateral agent and mortgage fees, was EUR 130,000.

The proceeds from the issuance of Notes were given as an owner's loan from the Issuer to the Latvian SPV, a direct subsidiary of the Issuer, which in turn acquired 100% of shares of the Target who is the legal owner of the Property, for EUR 32,386,638.

6.3. Basic information

6.3.1.

The Notes are coupon debt securities, representing the Issuer's subordinated secured monetary obligation, arising under, issued and redeemed in accordance with Note Terms.

The Issue Date of the Notes was November 10th, 2017.

6.3.2.

The Notes are denominated in EUR and each Note is constituted by the Note Terms.

6.3.3.

The Nominal Value of a Note is EUR 1,000. The total nominal value of the Issue is EUR 6,215,000.00. The total amount of Notes is 6,215.

6.3.4.

The Notes are dematerialized securities issued and registered in the book-entry system of the Register.

6.3.5.

The Notes are registered with the ISIN Code: EE3300111350.

6.3.6.

The Notes are in accordance with and are governed by the laws of the Republic of Estonia.

6.3.7.

According to the Note Terms, any dispute related to the Notes and the Note Terms shall be resolved through negotiations. If the parties fail to reach an agreement, the claim for resolving the dispute shall be submitted to Harju County Court (in Estonian: *Harju Maakohus*).

6.3.8.

If obligations of the Issuer pursuant to the Note Terms are breached the Investor may exercise all rights arising from the laws of the Republic of Estonia.

6.4. Interest rate

6.4.1.

Each Note carries Interest at the Interest Rate of 7% from (and including) the Issue Date up to and including the relevant Maturity Date or, if the Notes are to be redeemed on the Early Redemption Date, up to and including the Early Redemption Date or, if the Notes are to be redeemed on the Extraordinary Early Redemption Date, up to and including the Extraordinary Early Redemption Date.

6.4.2.

The Interest accrues during an Interest Period. Payment of the interest in respect of the Notes shall be made to the Investors on each Interest Payment Date for the current Interest Period.

6.4.3.

The interest payment on all Interest Payment Dates is determined according to the following formula:

$CPN = F \times C \times n / 360$, where;

CPN – value of interest in EUR;

F – Nominal Value as at the relevant Interest Payment Date;

C – annual interest rate payable on the Notes;

n – number of days since the Issue Date or the last Interest Payment Date calculated on a 30-day month basis.

6.4.4.

In case the Issuer does not pay timely any amount due under the Note Terms on the dates determined in accordance with the Note Terms, the Issuer shall be obliged to pay the Investors or, as the case may be, the Collateral Agent, default interest in the rate of 0,05% (zero point zero five per cent) of the delayed amount per each delayed day.

6.4.5.

If the Issuer fails to pay the Interest on the due Interest Payment Date, the Investor shall have the right to submit a respective claim to the Issuer regarding the interest and demand immediate redemption of the Notes, not earlier than after five Banking Days from the respective Interest Payment Date.

6.4.6.

The interest is paid with intermediation of the Registrar in accordance with the Registrar's regulations.

6.4.7.

The Interest Rate is fixed, thus, a calculation agent is not used.

6.5. Redemption

6.5.1.

The Notes shall be redeemed, i.e. the redemption amount shall be paid to the investors as a lump sum on the Maturity Date, i.e. 10.11.2022, or if applicable, on the Early Redemption Date or Extraordinary Early Redemption Date. If an Early Redemption Date or an Extraordinary Early Redemption Date fall on a day that is not a Banking Day, then the Issuer will pay the Redemption Price on the immediately following Banking Day.

6.5.2.

The Redemption Price to be paid to the Investor on the Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with unpaid interest accrued up to and including the Maturity Date in accordance with the Note Terms and any other monies still owed to the Investor at the Maturity Date under the Note Terms.

6.5.3.

The Redemption Price of the Notes shall be paid to the Investors who according to the Register's information, are the owners of the Notes as at the end of the business day of the settlement system of the Register, 4 Banking Days before the Maturity Date or Early Redemption Date, as applicable.

6.5.4.

The Redemption Price payments are paid by the Issuer itself.

6.5.5.

In accordance with the Note Terms and subject to Subordination Agreement, at any time after the Extraordinary Early Redemption Event has occurred the Investor shall have the right, but not an obligation, to demand from Issuer an immediate redemption of its Notes; in such a case the Issuer is obliged to redeem the respective Notes by paying the Redemption Price for the Notes to the relevant Investor within 10 Banking Days, assuming that a respective consent has been issued by the Bank. If the Majority Investors in accordance with the Note Terms have instructed the Collateral Agent to enforce the Collateral (for the avoidance of doubt, the Majority Investors have such right only if the Secured Obligations are not performed in accordance with their respective terms, and in their instructions to enforce the Collateral the Majority Investors have to specify which Secured Obligations have been breached), all Notes shall be subject to Extraordinary Early Redemption. The Investor must be aware that the Collateral Agent can enforce the

Collateral only upon the consent of the Bank, as the Notes are fully subordinated to the Bank.

6.5.6.

Subject to subordination, the Issuer has the right to redeem all or part, of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail. The notice shall include the Early Redemption Date and the Redemption Price to be paid to the Investor in accordance with the Note Terms. The Redemption Price equals the portion of the Nominal Value together with the unpaid interest accrued up to and including the relevant Early Redemption Date

6.5.7.

Provided that the Issuer has used its right for early redemption and the Issuer has not paid the payments to be made on the Early Redemption Date in full amount for more than 5 Banking Days from the relevant Early Redemption Date, the Investor shall have the right, but not the obligation, to demand immediate redemption of the Notes held by the Investor.

6.6. Rights arising out of Notes

6.6.1.

The issued Notes are freely transferable and can be freely encumbered. The Notes are non-convertible into the equity of the Issuer.

6.6.2.

The Investor shall have the right to receive interest payments and Redemption Price payments in accordance with the Note Terms, as well as other respective rights in accordance with the applicable legislative acts and the Note Terms.

6.6.3.

The Issuer shall disclose all the information related to the Notes in accordance with the applicable legislation and rules of the Relevant Market.

Specifically, as per Section 3.5 of Note Terms, the Issuer undertakes to provide the Investors and the Collateral Agent with the following information:

- a) audited annual reports of the Issuer and the consolidation group by the end of the fourth month following the financial year for which the report is prepared, signed by the Management Board;
- b) quarterly reports (comprising of the balance sheet as at the end of the reporting period and income statement for the reporting period) of the Issuer and the consolidation group by the end of the first month following the quarter for which the report is prepared, signed by the Management Board and/or the general manager and chief accountant (as appropriate);
- c) together with the quarterly reports a confirmation that the covenant in Section 3.4.5 of the Note Terms is fulfilled, signed by the Issuer;
- d) together with the quarterly reports statement regarding occurrence or non-occurrence of an Extraordinary Early Redemption Event, signed by the Issuer;
- e) information on any new debt security issues within 5 Banking Days after the issue;

- f) information on new share issues within 5 Banking Days after the issue;
- g) information on changes in the shareholder structure and the management of the Issuer or the Latvian SPV stating name, surname and professional experience of a new member within 5 Banking Days after the change;
- h) information on any court or arbitration proceedings pending or initiated against the Issuer or the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target), where, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the economic condition of the Issuer;
- i) information on Notes repurchases in case the repurchase offer is made to all Investors by the Issuer including Nominal Value and price for each transaction within 5 Banking Days after the relevant transaction;
- j) statement on breach of the Secured Obligations within 1 Banking Day after such an event has occurred.

All notices and documents to the Investors under the Note Terms shall be sent by post or e-mail unless otherwise provided for in the Note Terms. Notices to the Investors shall be forwarded to their addresses registered together with the securities or other accounts of the Investors, opened in the Register, or by e-mail.

6.6.4.

Within the framework of the Note Issue described in the Note Terms and notwithstanding the Collateral Agent Agreement, rights of the Investors to establish and/or authorize an organization/person to represent interests of all or a part of the Investors are not contemplated, but on the other hand these are not restricted.

6.6.5.

The claims of the Investors arising from the Note Terms are subordinated to the claims of the Bank against the Latvian SPV under the Loan Agreement described in the Note Terms and to any possible claims of the Bank against the Issuer under the Subordination Agreement. For the avoidance of doubt, the claims of the Collateral Agent arising from the Note Terms are not subject to subordination under the Subordination Agreement.

6.7. Collateral of Notes

6.7.1.

As according to the Note Terms, the issued Notes are secured by a 3rd rank mortgage in the maximum amount of EUR 8,079,500 over the Property in favour of the Collateral Agent as the pledgee (held for the benefit of the Investors in accordance with Note Terms and the Collateral Agent Agreement).

6.7.2.

The Collateral Agent holds the Collateral on behalf of the Investors and is entitled to enforce the Collateral for the benefit of the Investors in case of an Extraordinary Early Redemption Event, pursuant to the Note Terms and terms of the Collateral Agent Agreement.

Upon enforcement of the Collateral, the proceeds from the Collateral shall be applied as a first priority to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees and valuation costs and fees, costs

and expenses of third parties engaged in by the Collateral Agent) related to performance of its duties by, or otherwise payable to, the Collateral Agent under the Note Terms.

6.7.3.

The Investors are entitled to access the Collateral Agreement in accordance with the Note Terms.

6.8. Taxation of income derived from the Notes under Estonian laws

6.8.1.

For tax purposes, an individual shall be considered a resident of the Republic of Estonia where:

- (a) it permanently resides in the Republic of Estonia, or
- (b) it stays in the Republic of Estonia for more than 183 days within any 12-month period, or
- (c) it is a citizen of the Republic of Estonia employed abroad by the Republic of Estonia government as a member of the Diplomatic Services Department.

6.8.2.

If an individual does not meet the criteria indicated in clause 6.8.1., it shall not be considered a resident of the Republic of Estonia for tax purposes.

6.8.3.

A legal entity shall be considered a resident of the Republic of Estonia for tax purposes where it is or should have been established and registered in the Republic of Estonia pursuant to the provisions of the legal acts of the Republic of Estonia.

6.8.4.

Other legal entities shall be considered non-residents of the Republic of Estonia for tax purposes.

6.8.5.

If there is a tax treaty made with the residence country of a non-resident, the tax reliefs set in the treaty shall be complied with.

6.8.6.

Tax amount:

	Interest income tax rate	Tax rate for income from alienation of the Notes	Withholding of the tax
Residents:			
Individuals	20%	20/0%	Tax on interest income is withheld by the payer of income.

Legal entities ⁵	0%	0%	-
<i>Non-residents:</i>			
Individuals	10%/5% ⁶	⁷	Tax on interest income is withheld by the payer of income.
Legal entities	0%/0%		Interest payer – the tax will be deducted at the moment of interest payment.

6.8.7.

The Issuer shall be responsible for withholding of income tax, if pursuant to the legal acts effective in the Republic of Estonia, income tax is to be withheld from the payments related to the Notes.

6.8.8.

Notice. The information in regards to tax regimes provided in this Prospectus shall not be treated as professional legal or tax advice; tax rates and payment conditions may change during the period from approval of this Prospectus until the Maturity Date. In order to understand particular tax consequences of the ownership of the Notes each individual investor is advised and strongly encouraged to seek specialist assistance.

⁵ Currently, any income received by a resident legal entity shall be taxed upon the distribution of profit.

⁶ Income tax rate of 5% shall be applicable only in cases, if the imposition of reduced tax rate is stated by the tax treaty between Estonia and the respective country and, if the beneficiary of the payment before the disbursement of interest submitted to the Issuer the certificate of the residence – application for tax relief.

⁷ Non-resident may be obliged to pay income tax in its country of residence.

7. ISSUER

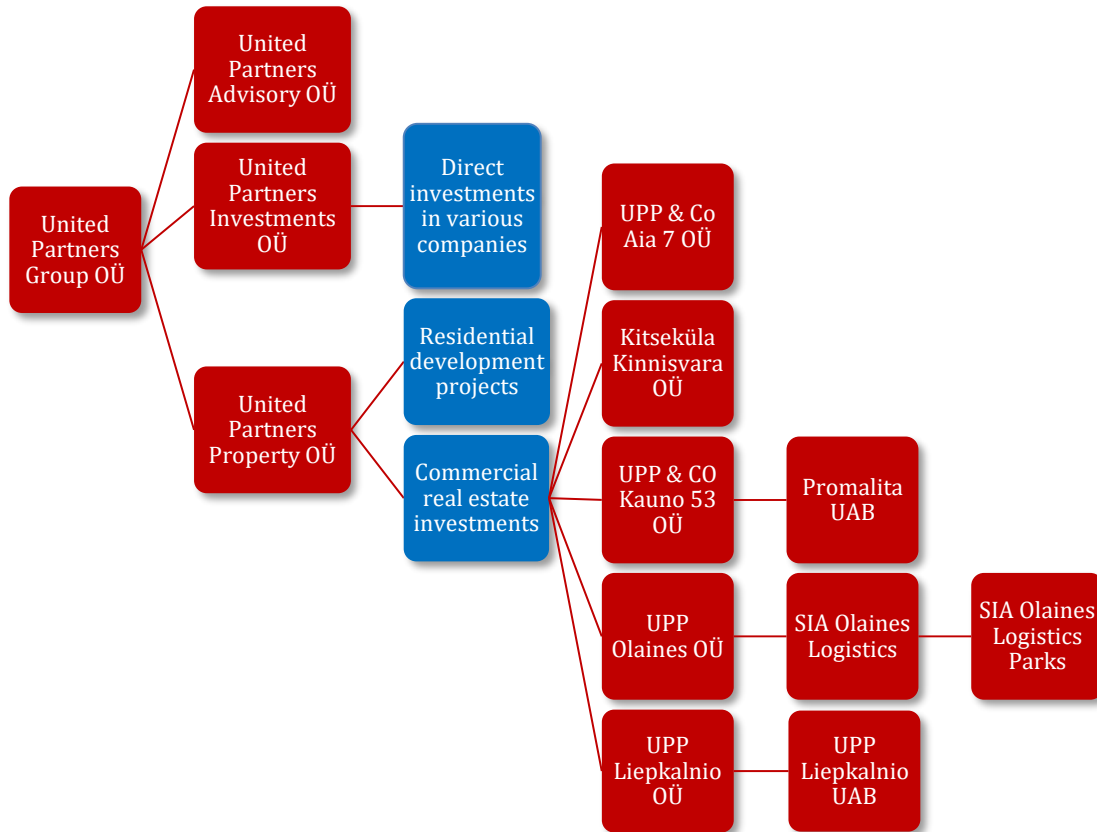
7.1. General information about the Issuer

Company name:	UPP Olaines OÜ
Place of registration:	Estonia
Date of registration:	24.08.2017
Registry code:	14318601
Office address:	Pärnu mnt 141, Tallinn, 11314, Estonia
Contact details:	Phone number: +372 6616 450 E-mail: property@unitedpartners.ee
Legal address:	Pärnu mnt 141, Tallinn, 11314, Estonia
Legal form:	Private limited liability company
Applicable legislation:	Estonian

7.2. Organizational structure of the Issuer

The Issuer is part of the United Partners Group (“the Group”).

As of 01.10.2018, the Group structure is the following:



UPP Olaines OÜ

UPP Olaines OÜ (the Issuer) is a SPV founded in 2017 and incorporated in Estonia. It is a subsidiary and wholly owned by United Partners Property OÜ. It holds 100% of shares in the Latvian SPV, who in turn is the owner of Olaines Logistics Park (the Property).

The Issuer was established for the purpose of funding and acquiring Olaines Logistics Park. The funds raised from the Issue were given as a subordinated loan to SIA Olaines Logistics, which in turn utilized the funds to acquire SIA Olaines Logistics Parks, legal owner of the Property.

The sole business of UPP Olaines OÜ is, indirectly through the holding of SIA Olaines Logistics, to own, rent out and manage the Property.

More specifically, it services its debt obligations to Investors from rental income up-streamed from SIA Olaines Logistics. Therefore, the Issuer’s business performance and ability to service financial obligations is dependent on the performance of its subsidiary, the Latvian SPV and its owned Property.

As a wholly-owned subsidiary of United Partners Property OÜ established for the funding and acquiring of Olaines Logistics Park, the Issuer is wholly dependent on United Partners Property OÜ and the underlying Property of the Issuer can be considered part of the real estate investment portfolio of United Partners Property OÜ.

Therefore, business decisions agreed upon on the level of United Partners Property OÜ management such as additional investments in new properties or divestments of the Property involving the Issuer have an effect on the operations of the Issuer. However, Investors should bear in mind various restrictions set out in the Note Terms that limit the operations and financial structure of the Issuer until the Notes are fully repaid. As such, the management of the United Partners Property OÜ nor the management of United Partners Group OÜ, the ultimate holding company of the Issuer, cannot undertake actions regarding the Issuer that fail to comply with the restrictions established by the Note Terms (for more information on the restrictions, see section 7.9 of this Prospectus).

SIA Olaines Logistics

SIA Olaines Logistics (the Latvian SPV) is a SPV company founded in 2012 and incorporated in Latvia. It is a subsidiary and wholly owned by UPP Olaines OÜ. The Latvian SPV fully acquired 100% of shares in SIA Olaines Logistics Parks in 15.12.2017 and consequently, became the sole owner of Olaines Logistics Park (the Property).

The sole business of SIA Olaines Logistics is to own, rent out and manage Olaines Logistics Park and to offer associated services.

As of 01.10.2018, SIA Olaines Logistics has not merged with SIA Olaines Logistics Parks. However, the merger is in the process and upon completion of the merger, SIA Olaines Logistics will be the direct legal owner of the Property and SIA Olaines Logistics Parks will cease to exist as a legal entity. The merger process is expected to be initiated in October 2018 and completed by the end of 2018.

Currently, the lease contracts are arranged with SIA Olaines Logistics Parks, while the Latvian SPV is the managing body. The purpose of the merger is to streamline the administration of the Property. The merger has no effect on the business and financial performance of the Latvian SPV and no effect on the business and financial performance of the Issuer.

SIA Olaines Logistics Parks

SIA Olaines Logistics Parks is a company founded in 2006 and incorporated in Latvia. It was 100% acquired in 15.12.2017 through share purchase by SIA Olaines Logistics from SIA Girtēkos Logistika. It is a real estate SPV solely established and used for the managing and owning of the Property.

Upon completion of the merger between SIA Olaines Logistics and SIA Olaines Logistics Parks, the latter will cease to exist as a legal entity.

About United Partners Property OÜ

United Partners' Property was founded in 2007 as the real estate subsidiary of the Group. It is wholly owned subsidiary of United Partners Group OÜ.

United Partners Property's business objective is to acquire, own, manage, develop and sell real estate property and conduct related business in the Baltic region.

United Partners Property has primarily focused on two investment strategies: core commercial real estate and residential development projects. Investments in commercial properties have been characterized by strong cash flows and fixed long-term lease agreements with financially solid anchor tenants. For residential real estate development projects, United Partners Property has preferred small- and medium size properties in the process of adopting a detailed construction plan.

As of 01.10.2018, the portfolio of United Partners Property comprises of 5 commercial real estate units (including the Property) and 5 residential units in development.

About United Partners Group OÜ

United Partners Group OÜ is the holding company of the Group.

The Group is a company established and incorporated in Estonia. Since its inception in 2003, it has been providing financial advisory services in addition to holding and managing investments in real estate and private equity in the Baltic region. The whole Group employs a total of 9 people as of 01.10.2018.

The activities of United Partners Advisory and United Partners Investments are neither directly related to the Issuer nor have an influence on the Issuer.

7.3. Sworn auditor

As the Issuer was established in 24.08.2017, the acquisition of the Property and thus beginning of economic activities took place only at 15.12.2017, the Issuer has not published any annual results before and therefore has not requested the services of any auditor before. A full audit shall be conducted for the first time upon the preparation and completion of the annual financial statement of the Issuer for the year 2018. As of the publishing of this Prospectus, the specific auditor has not been selected but the auditor will be a professional auditor and a member of The Estonian Auditor's Association.

7.4. Selected financial information

As the Issuer was established in 24.08.2017 and it had no prior business activities of any kind until the acquisition of the Property by its direct subsidiary the Latvian SPV on 15.12.2017, the financial information of the Issuer reflects the historical business performance of the underlying property for a limited time period.

The interim financial statements for the reporting period 6 months 2018 (01.01.2018 – 30.06.2018), have been prepared in accordance with IFRS as adopted in the European Union, including IAS 34, but are unaudited.

7.4.1 Consolidated key financial data of the Issuer

(in EUR)	6 months 2018
Net rental income	1,278,097
Operating profit	1,148,914
Profit for the period	164,489
Total current assets	833,520
Investment property	30,544,000
Total non-current assets	30,544,000

Total current liabilities	1,975,136
Total non-current liabilities	29,074,628
Total equity	327,756
Total equity and liabilities	31,377,520
<hr/>	
Total cash flow from / used in operating activities	986,785
Total cash flow from / used in investing activities	3
Total cash flow from / used in financing activities	(1,038,564)
Net increase / (decrease) in cash and cash equivalents	(51,776)

7.4.2 Condensed consolidated statement of financial position

(in EUR)	30.06.2018	31.12.2017
Cash and cash equivalents	329,560	381,336
Accounts receivable and prepayments	503,960	445,824
Total current assets	833,520	827,160
Investment property	30,544,000	30,544,000
Total non-current assets	30,544,000	30,544,000
TOTAL ASSETS	31,377,520	31,371,160
<hr/>		
Accounts payable and other settlements	911,132	679,593
Loans and borrowings	1,064,004	886,667
Total current liabilities	1,975,136	1,566,260
Loans and borrowings	29,074,628	29,641,633
Total non-current liabilities	29,074,628	29,641,633
TOTAL LIABILITIES	31,049,764	31,207,893
Share capital	2,500	2,500
Retained earnings	325,256	160,767
TOTAL EQUITY	327,756	163,267
TOTAL EQUITY AND LIABILITIES	31,377,520	31,371,160

7.4.3 Condensed consolidated statement of comprehensive income

(in EUR)	6 months 2018
Sales revenue	1,349,805
Cost of goods and services sold	(71,708)
Net rental income	1,278,097
Administrative expenses	(129,183)
Operating profit	1,148,914
Financial income (costs)	(984,425)
Profit before income tax	164,489
Profit for the period	164,489
Total comprehensive income for the period	164,489

7.4.4 Condensed consolidated statement of cash flows

(in EUR)	6 months 2018
Operating profit	1,148,914
<i>Adjustments:</i>	
Decrease / (increase) in accounts receivable and prepayments	(58,136)
Increase / (decrease) in accounts payable and other settlements	(103,993)
Total cash flow from / used in operating activities	986,785
Interest received	3
Total cash flow from / used in investing activities	3
Repayments of loans and borrowings	(389,668)
Interest paid	(648,896)
Total cash flow from / used in financing activities	(1,038,564)
Net increase / (decrease) in cash and cash equivalents	(51,776)
Cash and cash equivalents at the beginning of the period	381,336
Cash and cash equivalents at the end of the period	329,560

7.4.5 Condensed consolidated statement of equity

(in EUR)	Share capital	Retained earnings	Total equity
Balance at 31.12.2017	2,500	160,767	163,267
Total comprehensive income	0	164,489	164,489
Balance at 30.06.2018	2,500	325,256	327,756

7.5. The main areas of the Issuer's business activities

The sole purpose of the Issuer is to manage, own and rent out the Property through the holding of 100% shares in SIA Olaines Logistics. As the Issuer manages and owns only the Property, which has two major anchor tenants, its business performance is deeply linked to the Property and the business activity of the anchor tenants.

About the Property:

Olaines Logistics Park is a modern storage facility with cold storage capabilities constructed in 2007 and located in Olaine, Latvia. It is the largest cold-storage facility in Latvia. The logistics centre consists of two Class-A warehouse buildings and an office premise on the mezzanine floor. The total gross leasable area of the facility is 37,204 m², of which 33% is dry-warehouse, 52% cold storage area and the rest consists of space designated for office and other use. The surrounding land plot is 8.55 ha.

	Building 1	Building 2	Total
Gross leasable area, m ²	18,248	18,956	37,204
Dry-warehouse, m ²	9,723	2,445	12,168
Refrigerator, m ²	5,987	13,403	19,390
Office and other area, m ²	2,538	3,108	5,646

The facility is equipped with all necessary equipment, technological infrastructure and security systems to ensure high-quality storage solution to its tenants. The storage facility complies with all the sanitary standards. There are 38 loading bays. Across the dry warehouse and cold storage units, the facility provides a temperature regime from -22C to +18C.



Photo of the Property.

Key tenants of the Property:

Olaines Logistics Park sports an attractive tenant mix with long-term HICP indexed triple net lease agreements signed with all the tenants. As of 01.10.2018, the premises of the facility have been fully leased out with no vacancy at a weight-adjusted lease expiration of 3.40 years.

Lease agreements signed with the tenants correspond to the terms of non-cancellable operating leases. The rental income from these leases is divided as follows:

(in thousands of EUR)	01.10.2018
Up to 1 year	2,487
Between 2 and 5 years	6,015
Over 5 years	0
Total	8,502

The two anchor tenants provide 86% of the total rental income of the Property and are both leading players of Latvia in their respective industries: supermarket retailer SIA Maxima Latvija and logistics company SIA Girtekos Logistika.

a) SIA Maxima Latvija

SIA Maxima Latvija is the Latvian subsidiary of a pan-Baltic grocery and supermarket retailer Maxima Grupe headquartered in Vilnius, Lithuania. Maxima Grupe is part of a larger Lithuanian holding company Vilniaus prekyba, which through its controlled subsidiaries operates retail, pharmacy and real estate operations across the Baltic and CEE regions.

Maxima Grupe is active through its various stores in Estonia, Latvia, Lithuania, Poland and Bulgaria. It is the largest retail store chain and employer in the Baltics, with 568 opened stores, annual sales of 2.8 billion EUR and 30,000+ employees as of 31.12.2017.

SIA Maxima Latvija is one of the leading retail chains in Latvia, holding a 26% share of the country's grocery retailing market. SIA Maxima Latvija is the main anchor tenant of the Property. SIA Maxima Latvija has leased the premises of the Property since 2007, having renewed the lease contract twice. The Management Board's outlook on future lease renewals with SIA Maxima Latvija is positive.

Source: Own research, Maxima Grupe Annual Report 2017

b) SIA Girtekos Logistika

Girteka Logistics is a group of companies, operating under the same brand name, that manages various companies engaging in transport, logistics and related services. The holding company of the group is Lithuanian-based ME Investicija. SIA Girtekos Logistika is a Latvian subsidiary of the group.

Girteka Logistics is one of the leading companies in the Baltic region offering full scope of different transportation services across Europe and CIS. Its customers range from local producers to big international companies with major regional distribution centres. It has more than 11,000 employees, a fleet of more than 4,400 trucks and 4,700 trailers as of 31.12.2017. The company had a turnover of more than 561 million EUR in 2017.

SIA Girtekos Logistika is the second main anchor tenant in the Property premises. SIA Girtekos Logistika has leased the premises of the Property since 2008, having renewed the lease contract twice. The Management Board's outlook on future lease renewals with SIA Girtekos Logistika is positive.

Source: Own research, Girteka Logistics Annual Report 2017

7.6. The main markets in which the Issuer operates

As the Issuer is a holding company, its sole business is to operate the Olaines Logistics Park and service its debt obligation towards Investors. Olaines Logistics Park is an industrial property focused on providing cold-storage warehousing for leading pan-Baltic grocery retailers. In case there is a need to seek new tenants, given that refrigerated storage covers a substantial area of the premises, Olaines Logistics Park is mostly focused on pan-Baltic food retailers who also need to store large quantities of frozen products.

7.6.1 Economy of Latvia

Latvian economy has been growing consistently at an average annual rate of 3.5% since exiting the recession in 2011, buoyed by steady growth in private consumption and gross investment. The strong momentum is expected to sustain into 2018, although at a lower pace as the boost from one-off inflow of EU funds is expected to wear off. Exports are expected to be the key drivers of growth in 2018 and 2019.

Inflation has been well below ECB target of 2% since 2012, consistent with the anaemic inflation experienced by Eurozone at large. However, inflation has since then picked up and moved past the ECB target, with 2.9% inflation in 2017. In the near future, a tighter labour market and wage growth are expected to put upward pressure on the prices.

After contracting in the recession, gross wages have been growing at an annual pace of 5.6% since 2011. In the low inflation-environment, these gains have translated into considerable real wage growth that has in turn supported steady growth in private consumption. However, there is a concern that if continued, such growth can hamper the external competitiveness of Latvia as the real wage growth continues to exceed productivity growth. Unemployment in 2017 was the lowest since 2009 at 8.70%, and is expected to decrease as demand for workers continues to be strong.

Latvia continues to be a favourable business environment with a sound and stable fiscal system. It was ranked 19th in the Ease of Doing Business Index 2018 and was placed as having the 4th most competitive tax system according to International Tax Competitiveness Index 2017. Latvia is a full member of the European Union and the Eurozone. In 2016 Latvia was granted access to OECD, a prestigious economic organization that brings together high-income governments to find solutions to shared problems and challenges. This accession solidified Latvia as an open and transparent country firmly established as part of the highly developed economies.

Source: Central Statistics Bureau of Latvia, SEB Research, World Bank, OECD.

Main economic indicators of Latvia	2011	2012	2013	2014	2015	2016	2017	2018F	2019F
Nominal GDP	20,303	21,886	22,787	23,618	24,320	24,927	26,851		
Real GDP growth	6.4%	4.0%	2.4%	1.9%	3.0%	2.2%	4.5%	4.1%	3.7%
Household consumption	2.8%	2.9%	5.3%	1.2%	2.7%	3.4%	5.1%	5.6%	4.4%
Gross fixed capital formation growth	24.0%	14.4%	-6.0%	0.1%	-0.5%	-15.0%	16.0%	13.5%	7.5%
Public consumption	3.0%	0.3%	1.6%	1.9%	1.9%	2.7%	4.1%	3.4%	3.1%
Exports	12.0%	9.8%	1.1%	6.0%	3.0%	4.1%	4.4%	4.5%	3.5%
Imports	22.0%	5.4%	0.4%	1.2%	2.1%	4.5%	9.2%	8.0%	6.0%
Unemployment	16.2%	15.0%	11.9%	10.8%	9.9%	9.6%	8.7%	7.6%	6.8%

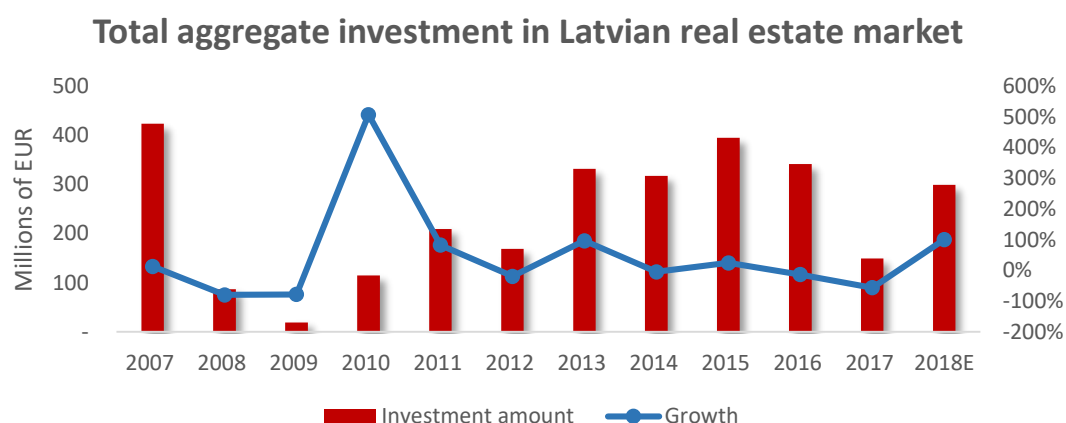
Monthly wage growth	4.3%	3.8%	4.5%	6.8%	6.9%	5.0%	7.8%	-	-
HICP Inflation	4.2%	2.3%	0.0%	0.7%	0.2%	0.1%	2.9%	2.7%	2.5%
Public sector financial balance, % of GDP	-4.3%	-1.2%	-1.0%	-1.2%	-1.2%	0.0%			
Public sector debt, % of GDP	42.7%	41.2%	38.9%	40.8%	36.8%	40.5%			
Retail trade growth except autofuel, real	4.9%	6.9%	5.0%	3.2%	4.1%	2.3%	4.5%		

Source: Central Statistics Bureau of Latvia, SEB Nordic Outlook Winter 2018.

7.6.2 Latvian commercial real estate⁸

7.6.2.1 Investments market

2017 was marked by a lack of large transactions in the Latvian commercial property market, resulting in the lowest aggregate investment volume since 2011. This is mainly due to the widening gap between expectations of owners and investors, despite the strong macroeconomic fundamentals. However, 2018 should experience a bigger transaction volume as promising transaction pipeline is forming for 2018.

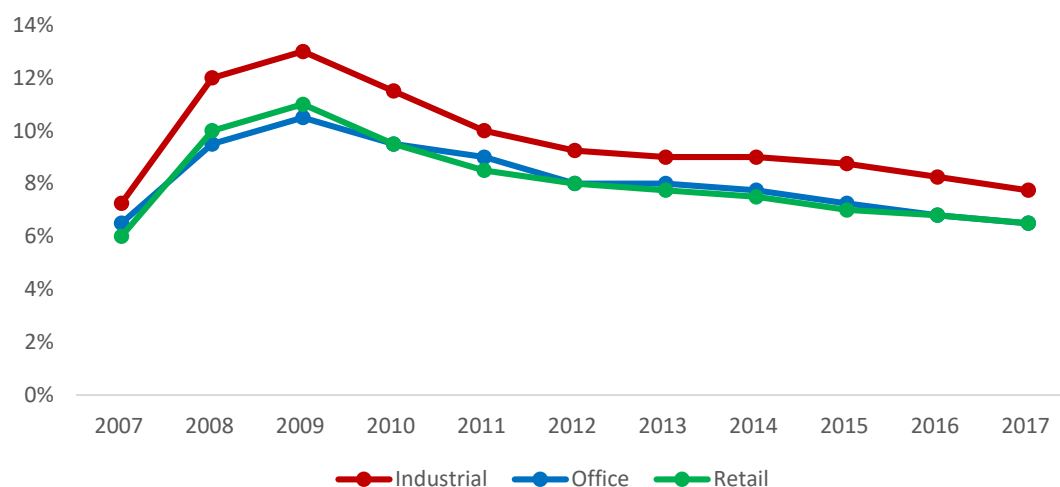


Source: Colliers.

The largest transaction activity by property type in the commercial real estate in Latvia has historically been in the office and retail sector, both in terms of the aggregate transaction value as well as number of deals. In 2016, 57% of the total deal value was accounted by the retail sector and 30% by office sectors, buoyed by large acquisitions from established players in the Latvian real estate market such as EFTEN Capital, New Horizon Capital and New Hanza Capital. The year also marked the entrance of a global private equity player Lone Star Funds who participated in the biggest deal of the year: acquisition of SC Riga Plaza. This trend by property class was somewhat similar in 2017 in the number of transactions, as TOP 10 biggest deals consisted of 3 in office space, 2 in retail, 2 in industrial and 3 in mixed space. However, acquisition of the Property by the Issuer was the second biggest deal of 2017 in Latvia by transaction value. In the near future, office and retail sectors will likely remain the most favoured by investors.

⁸ Since majority of the investments and activity in the commercial real estate is concentrated in Riga and Riga region, references to Latvia primarily mean Riga and Riga region

Prime yields in Riga and Riga region by property class



Source: Colliers.

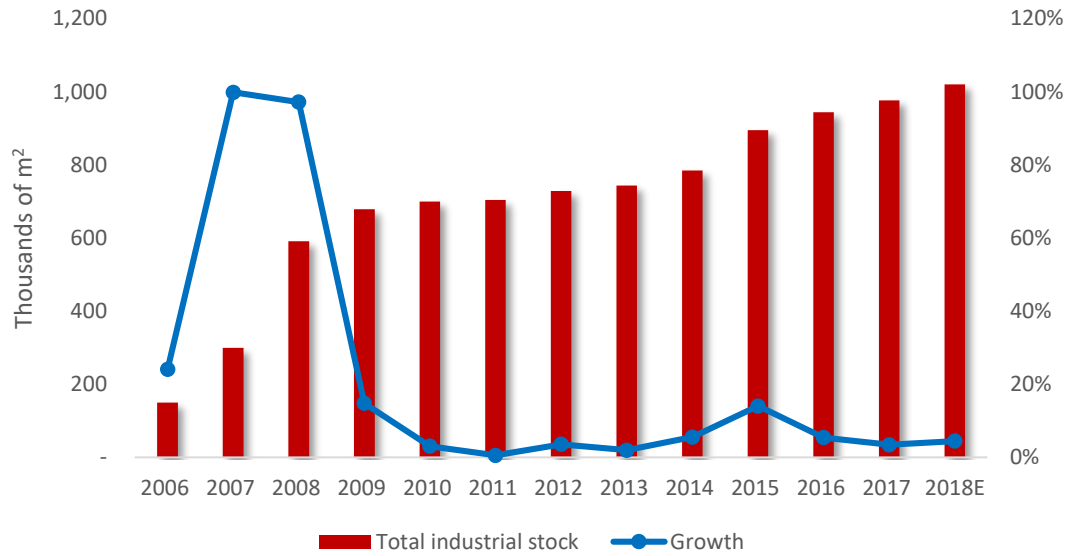
The prime yields of Riga and the Riga region have been trending downwards from the highs of post-crisis 2009. By the end of 2017, prime yields for industrial objects had decreased to 7.75%, with prime retail and office objects compressing to 6.5%. This development is consistent with overall macroeconomic recovery, stabilization of financial markets and favourable trends in the property market such as growing rent rates and low vacancy. Nevertheless, there is an attractive premium compared to Nordic and Western European property markets with potential for further compression in the future, as prime yields remain under pressure due to supply of investment-worthy assets remaining scarce.

Source: Colliers.

Industrial warehouse sector

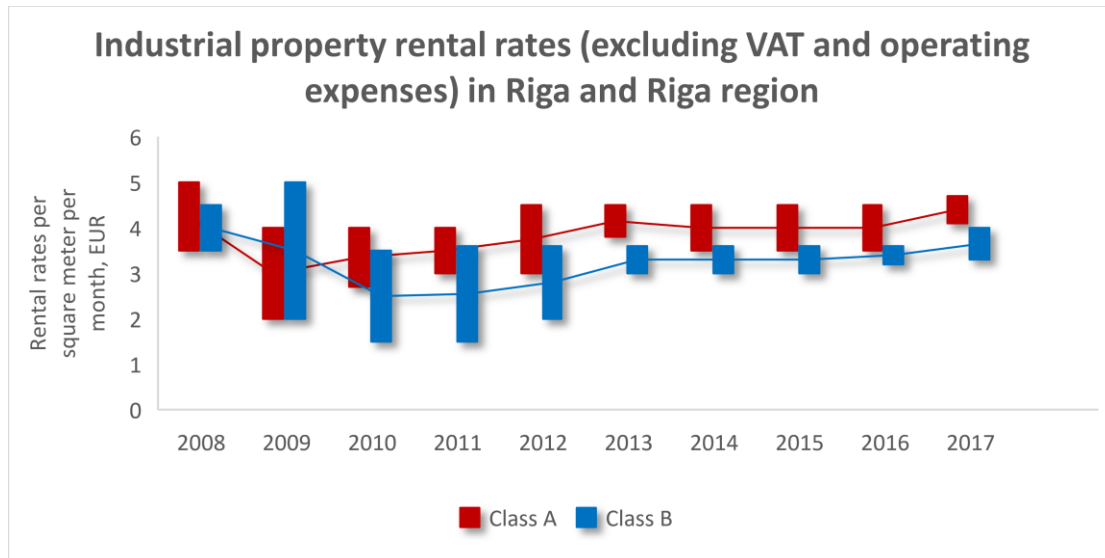
In line with other property sectors of Latvia, the rapid growth in industrial space stock came to a halt with the economic crisis of 2008. Since 2010, the annual growth in the supply of professional industrial space has been modest at an average 4.7% annual growth rate, with largest additions coming in the recent years. At the end of 2017, the professional leasable industrial space stood at 976,586 m². The modest growth in industrial space expected to continue in the near future, supported by overall positive economic outlook.

Professional leasable industrial space in Riga and Riga Region



Source: Colliers.

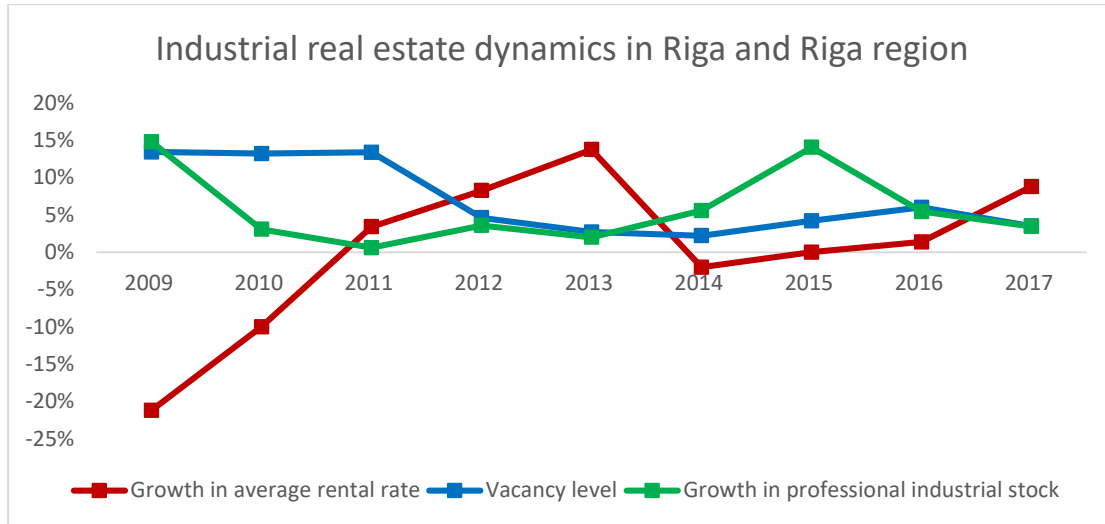
Since 2013, one of the key trends in the sector has been consolidation and optimization as tenants have been looking and relocating to one primary location. Logistic and distribution companies are expected to remain as the main demand drivers in the near future, with e-commerce having an important role in shaping the market landscape in the longer future.



Source: Colliers.

Since the crisis, rental rates have been recovering as demand for industrial space has picked up, although the rates have yet to reach pre-crisis highs. The increases in rental rates have been reinforced by lack of new developments and in turn decreasing vacancy levels. While on average the growth in rents has been modest, there has been a considerable

compression in the difference between maximum and minimum rental rates per warehouse class, with the asking rental rates in B class properties in particular having narrowed considerably. In short term, the industrial property rents are expected to experience a slight increase, largely for reasons of low vacancy, shortage of modern industrial space and growth in construction costs.



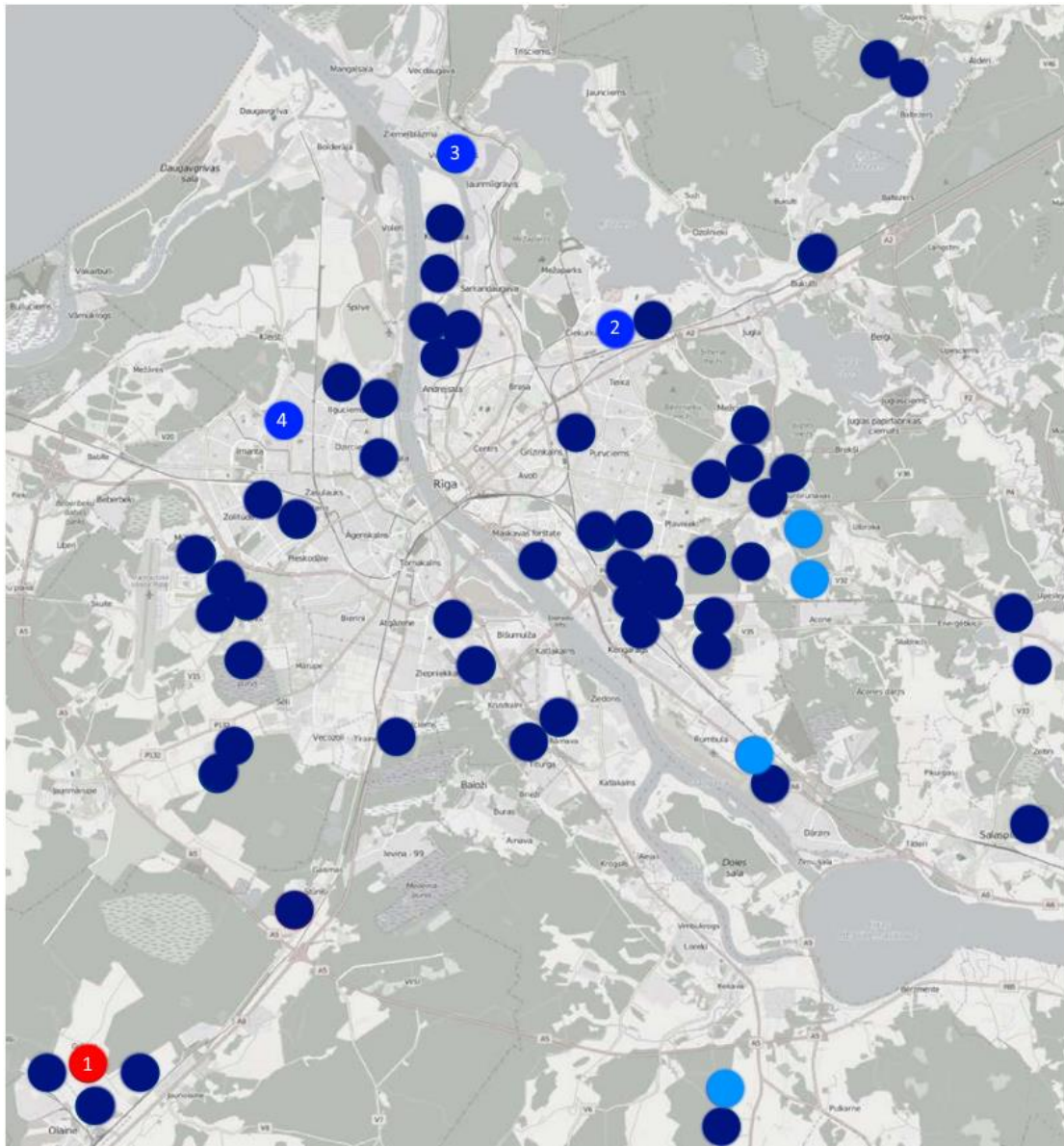
Source: Colliers.

Warehouses with cold storage properties

The main competitive properties in the Latvia are as follows:

	Premise name	Cold storage space (sqm)	Height (m)	Quality
1	Olaine Logistics Park	19,390	10.5	A
2	Teikas Saldetava	5,665	12	B
3	Kaija Warehouse	5,334	12	B
4	Abava Biznesa Parks	5,400	4	B

Source: Own research



Warehouse premises over 5,000 sqm in Riga district at the end of 2017

Source: Colliers

Olaines Logistics Park is the warehouse with one of the largest cold storage space in the Riga and Riga region. Given the market conditions, the Management Board believes that the Property is competitively well positioned:

Attractive asset class:

As an asset class, warehouse properties and in turn the Property are increasingly attractive due to high yields and low volatility in capital value and rent growth.

Additionally, there are many structural changes taking place in the modern economies including Latvia that are expected to benefit logistics premises the most, such as:

- Globalization: increasing trade and logistic requirements
- Consolidation trends: 3PLs and other warehouse owners/occupiers look for larger premises to improve supply chain efficiency
- E-commerce: growth in online sales shifts the demand from retail space to warehouses

High barriers to entry

There are relatively few large-scale warehouse facilities in the Riga region, even less so (according to Colliers International breakdown, only 9 of the industrial properties' gross leasable area exceeded 30,000 m²) at the end of 2016. Despite a strong demand for new warehouse premises, building new large facilities requires significant investment, especially ones with cold storage capabilities, setting high barriers to entry.

Large switching costs for the tenant

Cold storage is a pivotal component in the supply chain of a retailer with significant sales from perishables such as fresh and frozen food. Unreliability or breakdown of the cold supply chain can result in large material damage for the retailer as products spoil and become unfit for sale. Not only that, being unable to fulfil consumer demand can also impact its reputation. Because of this there are very high switching costs involved in choosing a new cold storage premise for the tenant, especially a central cold storage. Given anchor tenant's long-time lease of the Property and our commitment to fostering professional, trust-based relationship, we believe we are excellently positioned.

Source: Own research

7.7. Significant changes and trend information

7.7.1.

There has been no significant, material adverse change in the Issuer's financial or trading position since the last reporting year. The Management Board is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year outside the course of its regular business activities.

7.7.2.

There have been no material adverse changes in the prospects of the Issuer since the date of its last interim unaudited financial statement of 6 months 2018, as well as in the prospects of the Latvian SPV since the date of its last published audited financial statements.

7.8. Significant contracts and material contracts

7.8.1.

This section provides an overview of the most important agreements entered into by the Issuer, either directly or indirectly through its wholly owned Latvian SPV subsidiary, which may have substantial material impact on its operations. The following summaries

do not purport to describe all the applicable terms and conditions of such arrangements, particularly confidential info.

Lease Agreements

The following are the tenants with whom currently valid lease agreements exist as of 01.10.2018: SIA Maxima Latvija, SIA Girtekos Logistika, SIA Premier Restaurants Latvia, SIA Plesko Real Estate. The two anchor tenants SIA Maxima Latvija and SIA Girtekos Logistika provide 86% of the total rental income of the Property, and therefore have a substantial material impact on the Issuer and its ability to meet obligations towards the Investors.

Financing Agreements

Following are currently valid financing agreements that have a substantial material impact on the Issuer and Investors:

Loan Agreement with the Bank for a 21,280,000 EUR size investment loan to finance the acquisition of SIA Olaines Logistics Parks. Annexed to this Loan Agreement is Subordination Agreement, which subordinates the claims arising from Note Terms to the claims of the Bank, and Mortgage Agreement, which establishes mortgage over the Property in favour of the Bank.

7.8.2.

There are no material contracts that are not entered in the ordinary course of the Issuer's or Latvian SPV's business and financing structure, which could result in the Issuer or the Latvian SPV being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Investors.

7.9. Encumbrances and limitations of operations

In accordance with the Note Terms, the Issuer is obliged to comply with various covenants that restrict its operations and financial structure until the Notes are fully repaid:

- a) the Issuer shall ensure that the sole business of the Latvian SPV (and after the Acquisition, but prior to the Merger, the sole business of the Target) is to own, rent out and manage the Property and to offer associated services;
- b) no loans shall be granted by the Issuer to third persons (including to Related Parties) and the Issuer shall not secure or guarantee any obligations of third persons (including of Related Parties), except for the loans granted by the Issuer to legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
- c) the Issuer undertakes to ensure that the Latvian SPV shall not borrow from third persons (including from Related Parties) and shall not grant loans to third persons (including to Related Parties) and the Latvian SPV shall not secure or guarantee any obligations of third persons, except for the following:
 - a. the establishment of the Collateral (i.e. claims pledge) in accordance with Section 12.1 of the Note Terms;
 - b. the loan described in Section 12.1 of the Note Terms
 - c. the Intra-Group Loan;
- d) the Issuer undertakes to ensure that all property management services outsourced by it or by the Latvian SPV shall be outsourced at an arm's length and on market conditions;

- e) Issuer shall ensure that its debt service coverage ratio on consolidated level shall not fall below 1.1;
- f) subject to Section 7.6 of the Note Terms, the Issuer shall own 100% of share capital of the Latvian SPV;
- g) the Issuer shall ensure that the Latvian SPV shall not transfer the ownership of the Property to any third person nor conclude any agreements for such transfer of ownership;
- h) the Issuer shall ensure that the Latvian SPV shall not encumber the Property owned by the latter with mortgages, except for the mortgages described in Section 3.4.3.1 of the Note Terms and except for establishment of the Collateral in accordance with Section 12.1 of the Note Terms;
- i) the Issuer shall ensure establishment of the Collateral in accordance with Section 12.1 of the Note Terms and validity and enforceability of the Collateral in accordance with the Collateral Agreement;
- j) the Issuer shall ensure that after its establishment the Collateral described in Section 2.1.7.2 and until the release of such Collateral the Property is properly insured at all times and undertakes within 10 Banking Days of the respective request by an Investor or the Collateral Agent to provide such Investor or the Collateral Agent with documents evidencing the insurance cover;
- k) payments related to the principal outstanding on the Notes held by the Issuer shall be subordinated to the payments of principal due on Notes held by other Investors and shall be paid out only after all due and payable principal payments have been made in full to the other Investors;
- l) when making payments related to the principal outstanding on the Notes held by the Issuer's Related Parties the Related Parties shall be treated equal to other Investors and shall in no way be preferred to other Investors;
- m) the Issuer may not merge or demerge and shall ensure that the Latvian SPV shall not merge or demerge, except for the Merger

The Issuer may deviate from such covenants only upon the consent of Majority Investors.

7.10. Legal and arbitration proceedings

The Issuer has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's and its subsidiaries' financial position or profitability.

7.11. Substantial investments

7.11.1

The Issuer undertakes periodic expenditures to continuously maintain and improve the premises of the Property.

In the near future, the Issuer plans to make the following improvements to the Property:

- a) New layer of asphalt – The old asphalt around one of the warehouses has been worn out by ten years of active day-to-day utilization by heavy trucks in front of the loading docks. The top layer of the asphalt will be replaced by a new one, which will have a life expectancy of another ten years. The same procedure was carried out for the second warehouse during summer of 2017.

- b) Overhaul of the compressor – One of the compressors that is used to cool one of the warehouses needs regular maintenance to keep it running for another cycle of operations.
- c) Upgrade of the lightning – Old industrial lights will be replaced with new LED lightning to conserve electricity.
- d) Repair of the warehouse floor – Regular repair works of the concrete warehouse floors will be performed.
- e) Repair of area lightning – Pre-emptive work and repair is planned for the area lightning system which was damaged during a storm in 2017.

Such investments will be financed from the Latvian SPV's rental income or directly by the tenants where applicable. Nevertheless, as per the Note Terms, the Issuer will always ensure that the Issuer and the Latvian SPV will and are able to meet all obligations to debtholders (including Investors) and abide by necessary covenants stipulated in Note Terms before going forward with the investments.

7.11.2.

There have been no principal investments made since the date of the last published financial statements.

7.12. Other securities issued by the Issuer

The Issuer has not issued any other securities.

7.13. Management institutions of the Issuer

7.13.1.

The Issuer is managed by its Shareholder Meeting in accordance with the Articles of Association of the Issuer and Commercial Code of the Republic of Estonia and by its Management Board consisting of 1 member. The functions of the Management Board are stated in the Articles of Association of the Issuer and in the Commercial Code of the Republic of Estonia.

The location of the Management Board is legal address of the Issuer.

7.13.2.

The Management Board is supervised by the supervisory board consisting of 3 members. The functions of the supervisory board are stated in the Articles of Association of the Issuer and in the Commercial Law of the Republic of Estonia. Business address of the supervisory board is legal address of the Issuer.

7.13.3. The composition of the Management Board:

Position	Name, Surname	Activities outside the Issuer's company
Chairman of the Management Board	Marko Tali	Marko Tali is the head of investments of United Partners Investments OÜ, a wholly-owned subsidiary of United Partners Group OÜ that

		<p>manages investments into private enterprises.</p> <p>In addition, he serves on the management board of the following companies: Nordic Lumber AS, Mutual Properties OÜ, UPP & Co Aia 7 OÜ, Chaares OÜ, Nordic Loghouse OÜ, Nordic Wood Group OÜ.</p> <p>He also serves on the supervisory board of the following companies: Vertex Estonia AS, Balti Realiseerimiskeskus OÜ, United Partners Investments OÜ, United Partners Asset Management OÜ, United Focus OÜ, United Partners Charity SA, UPP & CO Kauno 53 OÜ, UPP Liepkalnio OÜ.</p>
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The main functions of Marko Tali are the following:

- (1) financial management of the Issuer
- (2) organizing improvements to the Property
- (3) maintaining relations with existing tenants and service providers
- (4) seeking tenants and service providers

7.13.4. The composition of the supervisory board:

Position	Name, Surname	Activities outside the Issuer's company
Chairman of the supervisory board	Mart Tooming	<p>Mart Tooming is a beneficial owner of 50% shareholding and member of the management board of United Partners Group OÜ, the ultimate parent company of the Issuer.</p> <p>Mart Tooming is also the 33,32% owner and member of the management board of Equity United Management OÜ, a private equity management company not affiliated with United Partners Group, and on</p>

		<p>the management board of related companies: Equity United GP1 OÜ, Equity United LP1 OÜ.</p> <p>Mart Tooming is also the sole owner and member of MT Finantsid OÜ.</p> <p>In addition, Mart Tooming is the member of the management board of the following companies: United Partners Charity SA.</p> <p>Mart Tooming is also a member of the supervisory board of the following companies: Balti Realiseerimiskeskus OÜ, Nordic Lumber AS, United Focus OÜ, United Partners Asset Management OÜ, United Partners Investments OÜ, UPP & CO Kauno 53 OÜ, UPP Liepkalnio OÜ.</p>
Member of the supervisory board	Hallar Loogma	<p>Hallar Loogma is the chairman of the management board of United Partners Property OÜ, the direct parent company of the Issuer and wholly-owned subsidiary of United Partners Group OÜ.</p> <p>In addition, Hallar Loogma is on the management board of the following companies: Holiday OÜ, Kitseküla Kinnisvara OÜ, Kristiine Kodu OÜ, Lilleküla Kodu OÜ, Lilleküla Kodu 2 OÜ, Loodesystem OÜ, Männimetsa Kodu OÜ, NWSS OÜ, Freston Estate OÜ, Green Light Consulting OÜ, Glenmil OÜ, Pargi Kodu OÜ, Rae Kodu OÜ, Scanbuild OÜ Vismeistri Kodu OÜ, Viimsi Kodu OÜ, UPP & CO Kauno 53 OÜ, UPP Liepkalnio OÜ, Promalita UAB, Liepkalnio UAB, SIA Olaines Logistics.</p>

		Hallar Loogma is also on the supervisory board of United Partners Asset Management OÜ.
Member of the supervisory board	Tarmo Rooteman	<p>Tarmo Rooteman is a beneficial owner of 50% shareholding and member of the management board of United Partners Group OÜ, the ultimate parent company of the Issuer.</p> <p>Tarmo Rooteman is also 33,32% owner and member of the management board of Equity United OÜ, a private equity management company not affiliated with United Partners Group, and on the management board of related companies, Equity United GP1 OÜ and Equity United LP1 OÜ.</p> <p>Tarmo Rooteman is also the sole owner and member of Gray Square OÜ and Ictrade OÜ.</p> <p>Tarmo Rooteman is also a member of the management board in the following companies: United Partners Advisory OÜ, United Partners Investments OÜ, United Partners Asset Management OÜ, United Focus OÜ, United Partners Private Equity OÜ, Mutual Properties OÜ, UPP & CO Peterburi 38 OÜ.</p> <p>Tarmo Rooteman is also a member of the supervisory board in the following companies: Nordic Lumber AS, UPP & CO Kauno 53 OÜ, UPP Liepkalnio OÜ.</p>

The main function of the supervisory board is the supervision and monitoring of the activities of UPP Olaines OÜ and its Management Board.

The supervisory board of UPP Olaines OÜ is entitled to:

- a) monitor and ensure that the business activities financial position of the Issuer comply with all covenants stemming from the financial agreements of the Issuer
- b) examine the annual reports of UPP Olaines OÜ

7.13.5.

Members of the Management Board, members of the supervisory board and other leading employees who influence the Issuer’s business activities are not engaged in significant activities beyond the Issuer which could be essential with regard to the Issuer. Such persons have no conflict of interest between their private interests and their duties performed on behalf of the Issuer.

7.14. Management practices

7.14.1.

The Issuer has no audit committee established separate from the duties and activities of the supervisory board.

7.14.2.

The issuer complies with corporate governance regimes incorporated with the applicable legislation.

7.15. Share capital of the Issuer

7.15.1. The subscribed capital of the Issuer is EUR 2,500.

7.15.2. The paid capital of the Issuer is EUR 2,500.

7.15.3. The share capital consists of 2,500 shares.

7.15.4. The nominal value of one share is EUR 1.

7.15.5. All the shares are of one category with equal voting rights and rights to receive dividends.

7.16. Shareholders’ structure

7.16.1. Shareholders holding the Issuer’s shares:

Company name	Registration number	Percentage of shares	Number of shares
United Partners Property OÜ	11146281	100%	2,500

7.16.2.

The ultimate beneficial owners of the Issuer are Mart Tooming and Tarmo Rooteman, who each have a 50% share ownership of the ultimate parent company of the Issuer, United Partners Group OÜ. The ultimate beneficial owners of the Issuer also serve on the supervisory board of the Issuer.

7.16.3.

In accordance with Section 3.4 of the Note Terms, the Issuer is obliged to comply with various covenants until the Notes are fully repaid, which among others restricts the Issuer from merging or demerging and restricts the Latvian SPV from transferring the ownership of the Property to any third person. For full breakdown of the covenants, see section 3.4 of the Note Terms.

8. ADDITIONAL INFORMATION

8.1

The official language of this Prospectus is English, the summary of the Prospectus has been translated into Estonian.

However, not all documents annexed or incorporated by reference are in English.

8.2

At present, the Issuer and the issued securities have no credit ratings granted.

8.3

The Issuer does not include profit forecasts or estimated profit in this Prospectus.

8.4

This Prospectus includes an extract from a valuation report of the Property by an external party, and the full valuation report is incorporated by reference. No third-party advisors or consultants have participated in the development and preparation of this Prospectus otherwise.

The valuation report (Report No. 1985/VD/17) of the Property was compiled by Ingrida Lazdina, an Appraisal Consultant at the Valuation Department of Colliers International Advisers SIA (reg. no. 40003881015) and certified property valuer of Latvia (cert. no. 132).

9. INDEX OF ANNEXES

Annex A:

Executive summary of the valuation report extracted from the full valuation report of Olaines Logistics Park (the Property) by an accredited appraiser Colliers International Advisors, dated June 21st 2017.

Annex B:

Unaudited interim financial report for UPP Olaines OÜ for the period 01.01.2018 – 30.06.2018 prepared in accordance with IFRS as adopted in European Union, including IAS 34.

Annex C:

Unaudited interim financial report for UPP Olaines OÜ for the period 01.10.2017 - 31.12.2017 prepared in accordance with IFRS as adopted in European Union, including IAS 34.

Annex D:

Note Terms including its annexes: Final Terms, Collateral Agent Agreement, Mortgage Agreement, Subordination Agreement.

EXECUTIVE SUMMARY

Client	United Partners Property OÜ		EE101792123	
Valuer	Colliers International Advisors, SIA (reg. No. 40103255403)			
Agreement with client	No. 1985/VD/17	signed on	June 21, 2017	
Owner of Subject Property	Olaines Logistics Parks, SIA		(reg. No. 40003881015)	
Subject Property	Real property			
General description	Modern logistics complex with cold storage and freezer located in Grenes, Olaines municipality, next to Olaine city, in 14 km distance from Riga city border. Subject property consists of one land plot with total size of 17,72 ha and two main buildings: cold storage and warehouse with office premises, and two auxiliary technical buildings. Building was built in 2008-2009. Overall technical condition can be rated as good. A part of the land plot with area 9,17 ha is vacant and could be used for a development new industrial / warehouse buildings.			
Property units	1			
Property brand name	Olaines Logistics Parks			
Address	Property cadastral number	Land Book file No.		Ideal parts
"Šarlotes", Grēnes, Olaines pag., Olaines novads	8080-003-0029	5439		1 / 1
Detailed property structure	see Section 4 of this Report			
"Šarlotes", Grēnes, Olaines pag., Olaines novads	freehold	8080-003-0029		
A part of the property "Olaines pils. ziemeļaustrumu apvedceļš", Olaine, Olaines novads	leasehold	8009-003-1409		
Comments	<i>The owner of leasehold land is Olaines Municipality. This land is the access road on which improvements (the asphalt) have been made by the owners of the Subject property.</i>			
Type of use	Current use		Alternative use	
	Warehouse / office		Industrial	
Property key parameters	<i>Land area (freehold), sqm</i>	<i>Land area (access road, leasehold), sqm</i>	<i>Total area (buildings), sqm</i>	<i>NLA (premises), sqm</i>
	177 200	18 747	37 276.5	35 973.2
Purpose of the valuation	Secured lending			
Intended users of report	Nordea Bank AB Latvijas filiāle, OP Corporate Bank plc filiāle Latvijā or Swedbank			
Applied valuation standard	LVS 401:2013			
Inspection date	June 21, 2017			
Value date	June 21, 2017			
Date report issued	July 19, 2017			
Results found				
Market Value	EUR 30 544 000 (thirty million five hundred forty-four thousand euro)			
VAT	Stated values do NOT include value added tax (VAT)			
Notes to results	-			

The conditions, assumptions and limiting factors listed in further sections of this report are an integral part of the valuation report. The presented results, opinions and conclusions should be considered only in context of this report as a whole.

Additional information, including documents and information provided to the Valuer that is not included in this report, as well as further explanations to calculations and conclusions are available upon request.

Compiled:

Approved:

Ingrīda Lazdiņa
Appraisal Consultant | Valuation
Department
Latvian certified real property valuer
(cert. No. 132)

Deniss Kairāns
Chairman of the Board

Jānis Ozols MRICS
Acting Director | Valuation Department
Latvian certified real property valuer
(cert. No. 98)

Lazdiņa +371 26315659 / Ingrida.lazdina@colliers.com

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UNITED PARTNERS

INTERIM REPORT 6 MONTHS 2018

UPP Olaines OÜ



INTERIM REPORT FOR 6 MONTHS 2018 (UNAUDITED)

Reporting period: 01.01.2018 – 30.06.2018 (‘6 months 2018)

Company name: UPP Olaines OÜ

Registration number: 14318601

Address: Pärnu mnt 141, Tallinn, 11314, Estonia

Telephone: +372 6616 450

E-mail: property@unitedpartners.ee

MANAGEMENT REPORT FOR 6 MONTHS 2018

General information

UPP Olaines OÜ (hereafter ‘the company’) was established for the purpose of funding, acquiring and managing the real estate investment of Olaines Logistics Park: (buildings and land) located at “Šarlotes”, Olaines county, Olaines parish, Latvia, cadastre number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish. The company was established in 24.08.2017 and had no economic activity until 15.12.2018, when it acquired the cold storage warehouse Olaines Logistics Park.

To finance the acquisition of the property, the company issued secured subordinated bonds in the total nominal value of 6.215 million euros. The company plans to arrange the bonds to be listed and admitted to trading on Nasdaq Tallinn Bond List in Q3 of 2018.

The business performance is not affected by seasonal factors. The activities of the company have no environmental or social impact.

As the company has been established solely for the purpose funding, acquiring and managing the property, no strategic changes in the business are planned.

The management board is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the company’s prospects for the period after the reporting period of this interim financial statement outside the course of its regular business activities

UPP Olaines OÜ is a going concern.

Management commentary for the second quarter of 2018 (‘Q2 2018’)

The most important event in the second quarter of 2018 was the rental income increase from signing of a new lease agreement with a tenant representing a major retailer who was already mentioned as a prospect in the last quarterly report. Landlord held negotiations with the existing tenant and the new retailer regarding all the details of the lease: the price, term and other details arriving at the conclusion that the best solution for all the parties involved would be to bring in the new tenant. By the end of the second quarter the new tenant had already moved in and started its daily operations in Olaines Logistics Park. The new tenant has had no complaints regarding the premises and both parties are satisfied that the co-operation is to a good start.

Additionally, as provided in the Q1 2018 report, Olaines Logistics Park terminated the management contract with Sirin in the first quarter. During the second quarter United Partners Property has successfully taken over the tasks therefrom without any substantial issues.

Management board and supervisory board

The information about the management and supervisory boards described herein has been updated in the light of changes in the management and supervisory boards. For more information about these changes, see Note 14 ‘Subsequent events’.

The management board of UPP Olaines OÜ has one member: Marko Tali.

The supervisory board of UPP Olaines OÜ has three members: Hallar Loogma, Mart Tooming and Tarmo Rooteman.

No remuneration or other benefits have been allotted to the members of the management board and supervisory board.

There are no employees in the company besides the members of the management and supervisory board.

Key indicators of financial performance and position for 6 months 2018

(in EUR)	Q2 2018	6 months 2018
Net rental income	653,579	1,287,097
Operating profit	643,001	1,148,914
Profit for the period	(50,226)	164,489

The negative profit figure for Q2 2018 of (50,226) resulted from the recognition of an interest rate swap instrument on the balance sheet and recording it as an interest expense in the amount of 380,378. This interest expense item did not impact the cash flow.

(in EUR)	As of 30.06.2018
Investment property	30,544,000
Interest-bearing loans	30,138,632
Interest-bearing loans less shareholder loan	27,140,332

	6 months 2018
ROA (Net profit / Average total assets)	0.5%
DSCR with shareholder loan (Operating profit / Loan principal and interest payments on interest-bearing loans)	1.11
DSCR without shareholder loan (Operating profit / Loan principal and interest payments on interest-bearing loans less shareholder loan principal and interest payments)	1.22

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated interim statement of comprehensive income

(in EUR)	Note	Q2 2018	6 months 2018
Sales revenue	4	653,579	1,349,805
Cost of goods and services sold	5	0	(71,708)
Net rental income		653,579	1,278,097
Administrative expenses	6	(10,578)	(129,183)
Operating profit		643,001	1,148,914
Financial income (costs)	7	(693,227)	(984,425)
Profit before income tax		(50,226)	164,489
Profit for the period		(50,226)	164,489
Total comprehensive income for the period		(50,226)	164,489

Condensed consolidated interim statement of financial position

(in EUR)	Note	30.06.2018	31.12.2017
Cash and cash equivalents	8	329,560	381,336
Accounts receivable and prepayments	9	503,960	445,824
Total current assets		833,520	827,160
Investment property	10	30,544,000	30,544,000
Total non-current assets		30,544,000	30,544,000
TOTAL ASSETS		31,377,520	31,371,160
Accounts payable and other settlements	11	911,132	679,593
Loans and borrowings	12	1,064,004	886,667
Total current liabilities		1,975,136	1,566,260
Loans and borrowings	12	29,074,628	29,641,633
Total non-current liabilities		29,074,628	29,641,633
TOTAL LIABILITIES		31,049,764	31,207,893
Share capital		2,500	2,500
Retained earnings		325,256	160,767
TOTAL EQUITY		327,756	163,267
TOTAL EQUITY AND LIABILITIES		31,377,520	31,371,160

Condensed consolidated interim statement of cash flows

(in EUR)	Note	Q2 2018	6 months 2018
Operating profit		643,001	1,148,914
<i>Adjustments:</i>			
Decrease / (increase) in accounts receivable and prepayments	9	(132,282)	(58,136)
Increase / (decrease) in accounts payable and other settlements	11	20,192	(103,993)
Total cash flow from / used in operating activities		530,911	986,785
Interest received		1	3
Total cash flow from / used in investing activities		1	3
Repayments of loans and borrowings		(315,542)	(389,668)
Interest paid		(312,850)	(648,896)
Total cash flow from / used in financing activities		(628,392)	(1,038,564)
Net increase / (decrease) in cash and cash equivalents		(97,480)	(51,776)
Cash and cash equivalents at the beginning of the period	8	427,040	381,336
Cash and cash equivalents at the end of the period	8	329,560	329,560

Condensed consolidated interim statement of changes in equity

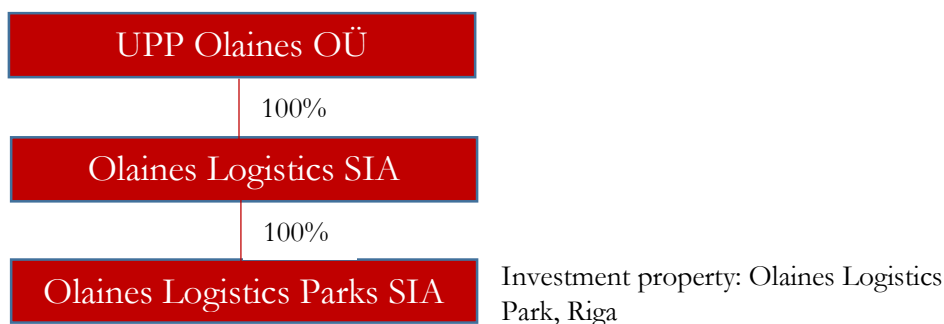
(in EUR)	Share capital	Retained earnings	Total equity
Balance at 31.12.2017	2,500	160,767	163,267
Total comprehensive income	0	164,489	164,489
Balance at 30.06.2018	2,500	325,256	327,756

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Corporate information

UPP Olaines OÜ is a company established on 24.08.2017 and incorporated in Estonia.

The structure of UPP Olaines OÜ as of 30.06.2018 is as follows:



For more information on subsidiaries, see Note 3.

2. Basis of preparation

The unaudited condensed consolidated interim financial statements of UPP Olaines OÜ for 6 months 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting, except for the requirement to disclose comparative financial information. The company was founded in 24.08.2017 and did not have any economic activity until the acquisition of the investment property on 15.12.2017. Therefore the company has no financial history for a year-on-year comparison.

Consolidated financial statements

The consolidated financial statements include the company and its subsidiaries.

The company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries use the same accounting policies in preparing their financial statements as the parent company. Inter-company balances and transactions, including unrealised profits and losses, are fully eliminated in consolidation.

Business combinations are accounted for in the consolidated financial statements using the acquisition method. The cost of a business combination accounted for using the acquisition method is allocated to the fair value of assets, liabilities and contingent liabilities as at the date of acquisition. The difference between the cost of acquisition and the fair value of acquired assets, liabilities and contingent liabilities is recognised as goodwill. If fair value exceeds cost, the difference (negative goodwill) is immediately recognized as income of the period.

Investment property

Investment property is property (land or building or both) held or developed to earn rental income or for capital appreciation, rather than for the use in the production or supply of goods or services or for administrative purposes; or sale in ordinary course of business.

An investment property is initially recognized in the balance sheet at cost, including any expenditure items directly attributable to the acquisition of the property (e.g. notary fees, property transfer taxes, professional fees for legal services, and other transaction costs necessary for the completion of the acquisition). After initial recognition, investment property is measured at fair value at each balance sheet. The fair value is determined by independent appraisers, being the price that would be received to sell an asset in an orderly transaction between market participants at the date of measurement.

In determining the fair value, the method of discounted cash flows is used. In order to calculate the present value of a property's future cash flows, the appraiser has to forecast the property's future rental income (including rent per 1 square meter and the occupancy rate) and operating expenses. Depending on the terms of the lease (whether and how easily the lease can be terminated by lessee), the appraiser will base the projections on either the property's existing cash flows or the market's current average cash flows for similar properties. The present value of the future net cash flow is found by applying a discount rate, which best reflects the current market assessments of the time value of money and the risks specific to the asset. The discount rate is selected based on the market's average capital structure, not asset structure. The discounted cash flow method is used to determine the value of investment properties that generate stable rental income.

Gains and losses arising from changes in the value of investment property are recognized in profit or loss in the period in which they arise under the 'Gain / loss from revaluation of investment property'.

An investment property is derecognized from the balance sheet on disposition or when the property is permanently withdrawn from use and the asset is expected to generate no future economic benefits. Gains and losses arising from the derecognition of investment property are recognized in profit or loss in the period of derecognition (in Other income and other expenses, respectively).

When the purpose of use of an investment property changes, the asset is reclassified in the balance sheet. From the date of the change, the accounting policies of the group where the item has been transferred are applied. For a transfer from investment property to property, plant and equipment, the property's deemed cost for subsequent accounting is its fair value at the date of transfer.

Financial liabilities

All financial liabilities (trade payables, borrowings, accrued expenses and other current and non-current liabilities) are initially measured at cost that also includes all directly attributable expenditure incurred in the acquisition. Subsequent measurement is at amortized cost.

The amortized cost of current financial liabilities generally equals their nominal value; therefore, current financial liabilities are carried in the balance sheet in their net realizable value. Non-current financial liabilities are initially recognized at fair value less transaction costs incurred. Subsequently, these non-current financial liabilities are measured at amortized cost using the effective interest rate

method. Interest expenses on financial liabilities are recognized on the line 'Interest income' and 'Interest expense' in the income statement on an accrual basis.

A financial liability is classified as current if it is due within 12 months from the balance sheet date or if the Issuer does not have an unconditional right to postpone payment of the liability more than 12 months after the balance sheet date. Loans with due date 12 months after the balance sheet date which are refinanced as non-current after the balance sheet date but before the financial statements are authorized for issue, are recognized as current.

A financial liability is derecognized from the balance sheet when the obligation under the liability is settled, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents are cash and short (up to 3 months from the moment of acquisition) high-liquidity investments that are readily convertible into a known amount of cash for up to three months from the actual transaction date and which are subject to insignificant risk of changes in market value.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from transactions. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be measured reliably.

Rental income from investment properties is recognized on a straight-line basis over the lease term.

Income from intermediation of services (utility fees of tenants, leases, and other intermediated services) the Issuer acts as an agent, which means that such revenues are not presented in gross method, but are offset against the expense on services purchased.

Finance income is recognized on an accrual basis, using the effective interest rate method.

Financial assets

All financial assets are initially recognized at cost, which is the fair value of the consideration paid for the financial asset. Acquisition costs are any costs that are directly attributable to the acquisition of the financial asset, including fees and commissions paid to agents and advisers, as well as any non-recoverable levies, taxes and duties.

Upon initial recognition, financial assets in the scope of IAS 39 are classified in one of the following four categories of financial assets, with a principle of measurement detailed next to each:

- a) Financial assets at fair value through profit or loss – fair value
- b) Loans and receivables – amortized cost
- c) Held-to-maturity investments – amortized cost
- d) Available-for-sale financial assets – fair value or cost in case of equity instruments, the fair value of which cannot be reliably measured

Financial assets are derecognized when the Issuer loses the right to cash flow from the financial assets and also when a liability arises to transfer these cash flows in full extent without material delay to third parties, to whom most of the risks and benefits related to the financial assets are transferred.

Derivative instruments

The company may use interest rate swaps to hedge risks related to changes in interest rates of loans and borrowings. Such derivative instruments are initially recognized in the balance sheet at the fair value upon entering the contract and are subsequently revaluated in accordance with the change in the fair value of the instrument at the balance sheet date. A derivative instrument with a positive fair value is recognized as an asset and a derivative instrument with a negative fair value is recognized as a liability. To determine fair value of interest rate swaps, bank quotations at the balance sheet date are used as a basis. Derivative instruments are measured at fair value through profit or loss.

Taxation

The company and taxation in Estonia

According to the Income Tax Act, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends. The tax rate on (net) dividends is 20/80. Income tax arising from dividend distribution is expensed when dividends are declared (when the liability arises).

Subsidiaries in Latvia

In accordance with the tax law effective until 2017, profits of entities in Latvia were taxable with income tax (15%). Therefore, until that, deferred tax was provided for on all temporary differences arising between the tax bases of assets and liabilities of Latvian subsidiaries and their carrying amounts in the consolidated financial statements. In accordance with the new Corporate Income Tax Law, starting from 01.01.2018, corporate income tax with a rate of 20/80 is levied on profits arisen after 2017 only upon their distribution. Transitional provisions of the law allow for reductions in the income tax payable on dividends, if the entity has unused tax losses or certain provisions recognized by 31.12.2017.

Due to the new tax law, there are no longer differences between the tax bases and carrying amounts of assets and liabilities, and hence, deferred income tax assets and liabilities no longer arise in respect of subsidiaries in Latvia.

Leases

Leases, which transfer substantially all the risks and rewards incidental to ownership to the lessee are classified as finance leases. Other leases are classified as operating leases.

Assets subject to operating leases are recognized in the lessor's balance sheet. Operating lease payments received and made are recognized as income and expenses, respectively, on a straight-line basis over the period of the lease.

Measurement of fair values

The company measures certain non-financial assets such as investment property at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the date of measurement. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market at the measurement date.

The company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Subsidiaries

The company has a controlling interest in the following entities:

Name	Immediate parent entity	Place of incorporation	Ownership interest		Activity
			30.06.2018	31.12.2017	
Olaines Logistics SIA	UPP Olaines OÜ	Latvia	100%	0%	Holding company
Olaines Logistics Parks SIA	Olaines Logistics SIA	Latvia	100%	0%	Asset holding company

4. Sales revenue segment information

By regions	Q2 2018	6 months 2018
(in EUR)		
Latvia	653,579	1,349,805
Total	653,579	1,349,805

By activities	Q2 2018	6 months 2018
(in EUR)		
Rental income	653,579	1,349,805
Total	653,579	1,349,805

5. Cost of goods and services sold

	Q2 2018	6 months 2018
(in EUR)		
Technical services	0	(40,220)
Extra works	0	(14,241)
Insurance	0	(2,400)
Tax expenses	0	(14,847)
Total cost of goods and services sold	0	(71,708)

6. Administrative expenses

	Q2 2018	6 months 2018
(in EUR)		
Consulting services	(3,061)	(103,061)
Legal services	(390)	(10,017)
Banking services	(2,193)	(5,514)
Accounting services	(2,889)	(7,101)
Securities services fees	(2,045)	(3,490)
Total administrative expenses	(10,578)	(129,183)

7. Financial income (cost)

	Q2 2018	6 months 2018
(in EUR)		
Interest expense on bonds	(108,763)	(217,525)
Interest expense to United Partners Property OÜ	(45,499)	(90,998)
Interest expense on bank loan	(158,587)	(295,525)
Change in the fair value of interest rate swap instrument	(380,378)	(380,377)
Total financial revenues (costs)	(693,227)	(984,425)

During Q2 2018, an interest rate swap instrument was initially recognized in the value of 380,378 as a liability on the balance sheet.

8. Cash and cash equivalents

	30.06.2018	31.12.2017
(in EUR)		
Demand deposits	329,560	381,336
Total cash and cash equivalents	329,560	381,336

9. Accounts receivable and prepayments

	30.06.2018	31.12.2017
(in EUR)		
Customer receivables	414,887	392,181
Prepaid expenses	89,073	51,546
Other short-term receivables	0	2,097
Total accounts receivable and prepayments	503,960	445,824

10. Investment property

As of 30.06.2018, the Issuer has made investments to the following property:

Name	Location	Area (m2)	Year of construction	Market value at 30.06.2018
(in EUR)				
Olaines Logistics Park	Olaine region in Riga, Latvia	37,204	2007	30,544,000

In the estimation of the management, no changes occurred in the value of the investment property in Q2 2018, and the value of the investment property remains the figure from the valuation conducted on 21.06.2017 by an independent appraiser.

As of 30.06.2018					
Property	Fair value	Valuation method	Discount rate	Exit yield	Annual rental revenue
Olaines Logistics Park	30,544,000	DCF	9%	8%	2,458,481

Independent expert valuation in regards to the fair value of investment property is based on the following:

- Rental income: real growth rates and rents under current lease agreements are used;
- Discount rate: Calculated using the weighted average cost of capital (WACC) associated with the investment property
- Exit yield rate: based on the estimated level of return at the end of the estimated holding period, taking into consideration the forecasted market conditions and the individual characteristics and risks of the property

The table below contains information about significant unobservable inputs used 30.06.2018 in measuring investment properties categorized to Level 3 fair value hierarchy.

Type of asset class	Valuation method	Significant unobservable input	Range of estimates	Fair value measurement sensitivity to unobservable inputs
Investment property	DCF	Exit yield	7.5%-8.5%	An increase in exit yield in isolation would result in a lower value of Investment property

Discount rate	7.5%-9.0%	An increase in discount rate in isolation would result in a lower value of Investment property
Rental growth p.a.	0-3.3%	An increase in rental growth in isolation would result in a higher value of investment property
Long term vacancy rate	0-10%	An increase in long-term vacancy rate in isolation would result in a lower value of investment property

11. Accounts payable and other settlements

	30.06.2018	31.12.2017
(in EUR)		
Payables to suppliers	90,580	195,991
Tax payables	0	87,903
Prepayments from customers	407,673	318,508
Interest payables	32,345	77,191
Derivative instruments	380,378	0
Other short-term liabilities	250	0
Total accounts payable and other settlements	911,132	679,593

Derivative instruments denote an interest rate swap used to hedge interest rate risk stemming from floating component of bank loan interest rate. Derivative instruments are measured and presented at fair value.

12. Loans and borrowings

30.06.2018	Short-term part	Long-term part	Total	Currency	Interest rate	Due date
(in EUR)						
Bank loans	1,064,004	19,861,328	20,925,332	EUR	^{3m} Euribor+2,4%	30.11.2022
Bonds	0	6,215,000	6,215,000	EUR	7%	10.11.2022
Shareholder loan	0	2,998,300	2,998,300	EUR	6%	Not specified
Total loan liabilities	1,064,004	29,074,628	30,138,632	EUR		

13. Transactions with related parties

Parent entities

The company is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			30.06.2018	31.12.2017
United Partners Property OÜ	Immediate parent entity	Estonia	100%	100%
United Partners Group OÜ	Ultimate parent entity and controlling party	Estonia	100%	100%

During 6 months 2018, related party transactions occurred regarding the loan granted by United Partners Property OÜ to UPP Olaines OÜ, as detailed below:

Loans from United Partners Property OÜ	6 months 2018
<i>(in EUR)</i>	
Beginning of the period loan balance (at 31.12.2017)	3,033,300
Loans advanced	0
Loan repayments made	(35,000)
Interest charged	(90,998)
Interest paid	(62,267)
End of the period loan balance (at 30.06.2018)	2,998,300

Other

No other related transactions besides the transactions listed above occurred during the reporting period.

14. Subsequent events

On 13.09.2017, a meeting of the shareholders and board of UPP Olaines OÜ was held where it was decided to change the composition of the management and supervisory board of UPP Olaines OÜ and its subsidiary, Olaines Logistics SIA. The previous supervisory board member, Marko Tali, has been appointed as the chairman of the management board of UPP Olaines OÜ and Olaines Logistics SIA, while both of the previous members of the management board, Hallar Loogma and Kevin Soon, have been discharged from their positions. Hallar Loogma has been appointed on the supervisory board. Marko Tali has been the head of investments in United Partners Investments OÜ, the direct investment arm of United Partners Group OÜ. These changes are part of the efforts to streamline the

management of United Partners Group's investments. These changes will be completed in the period of 17. – 28. September 2018.

STATEMENT OF THE MANAGEMENT BOARD

The chairman and member of the management board confirms that financial and other information published in this interim report of UPP Olaines OÜ for the 6 months ended 30th June 2018 provides a true and fair view of the company's business development, financial performance and financial position.

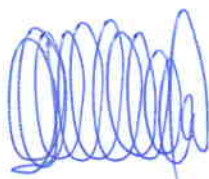
According to the Terms and Conditions of UPP Olaines OÜ Subordinated Note Issue section 3.5.3 and 3.5.4, the management confirms that the company's debt service coverage ratio on consolidated level is greater or equal than 1.1 for the 6 months 2018 and that there has been no occurrence of an Extraordinary Early Redemption Event in 6 months 2018.



Marko Tali

Incoming chairman and member of the management board of UPP Olaines OÜ and outgoing chairman of supervisory board of UPP Olaines OÜ

On 18.09.2018



Hallar Loogma

Incoming member of the supervisory board of UPP Olaines OÜ and outgoing chairman and member of the management board of UPP Olaines OÜ

On 18.09.2018



UNITED PARTNERS

INTERIM REPORT Q4 2017

UPP Olaines OÜ



INTERIM REPORT FOR THE FOURTH QUARTER OF 2017 (UNAUDITED)

Reporting period: 01.10.2017 – 31.12.2017 ('Q4 2017')

Company name: UPP Olaines OÜ

Registration number: 14318601

Address: Pärnu mnt 141, Tallinn, 11314, Estonia

Telephone: +372 6616 450

E-mail: property@unitedpartners.ee

MANAGEMENT REPORT FOR Q4 2017

General information

UPP Olaines OÜ (hereafter ‘the company’) was established for the purpose of funding, acquiring and managing the real estate investment of Olaines Logistics Park: (buildings and land) located at “Šarlotes”, Olaines county, Olaines parish, Latvia, cadastre number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish.

The company was established in 24.08.2017 and had no economic activity until 15.12.2018, when it acquired Olaines Logistics Parks SIA, a company incorporated in the Republic of Latvia and the legal owner of Olaines Logistics Park (hereafter ‘the investment property’). The acquisition was structured through Olaines Logistics SIA, a company incorporated in the Republic of Latvia and 100% acquired by UPP Olaines OÜ on 15.11.2017, which purchased 100% of shares in Olaines Logistics Park SIA.

The property is a modern storage facility with cold storage capabilities constructed in 2007 and located in Olaine, Latvia. The total gross leasable area of the facility is 37,204 m². The premises of the facility have been fully leased out with no vacancy. Maxima Latvija and Girtēka Logistics are the main anchor tenants.

To finance the acquisition of the property, the company issued secured subordinated bonds in the total nominal value of 6.215 million euros. The bonds are secured by a 3rd rank mortgage over the property and are subordinated to the claims of Luminor Bank. The bonds are not yet listed and admitted to trading on Nasdaq Tallinn Bond List, but the company aims to ensure that this will be accomplished in Q3 of 2018.

The business performance is not affected by seasonal factors. The activities of the company have no environmental or social impact.

As the company has been established solely for the purpose funding, acquiring and managing the property, no strategic changes in the business are planned.

The management board is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the company’s prospects for the period after the reporting period of this interim financial statement outside the course of its regular business activities

UPP Olaines OÜ is a going concern.

Management board and supervisory board

The management board of UPP Olaines OÜ has two members: Hallar Loogma, the chairman of the management board, and Kevin Soon.

The supervisory board of UPP Olaines OÜ has three members: Marko Tali, Mart Tooming and Tarmo Rooteman.

No remuneration or other benefits have been allotted to the members of the management board and supervisory board.

There are no employees in the company besides the members of the management and supervisory board.

Key indicators of financial performance and position for Q4 2017

As the acquisition of the investment property was completed in 15.12.2017, the financial results for the company are not representative of a full quarterly business performance of the investment property.

Revenue:

- Sales revenue: **190,760 EUR**

Expenses

- Cost of goods and services sold: **15,297 EUR**
- Operating expenses: **73,707 EUR**
- Interest expense on loans and bonds issued: **121,230 EUR**

Interest-bearing liabilities (as of 31.12.2017):

- Loans outstanding: **24,313,300 EUR**
- Bonds issued: **6,215,000 EUR**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**Condensed consolidated interim statement of comprehensive income**

(in EUR)	Note	Q4 2017
Sales revenue	4	190,760
Cost of goods and services sold	5	(15,297)
Net rental income		175,463
Administrative expenses	6	(73,707)
Gain / (loss) from revaluation of investment property	11	144,000
Operating profit		245,756
Financial income / (costs)	7	(121,215)
Profit before income tax		124,541
Corporate income tax	8	36,226
Profit for the period		160,767
Total comprehensive income for the period		160,767

Condensed consolidated interim statement of financial position

(in EUR)	Note	31.12.2017	30.09.2017
Cash and cash equivalents	9	381,336	2,500
Accounts receivable and prepayments	10	445,824	0
Total current assets		827,160	2,500
Investment property	11	30,544,000	0
Total non-current assets		30,544,000	0
TOTAL ASSETS		31,371,160	2,500
Accounts payable and other settlements	12	679,593	0
Loans and borrowings	13	886,667	0
Total current liabilities		1,566,260	0
Loans and borrowings	13	29,641,633	0
Total non-current liabilities		29,641,633	0
TOTAL LIABILITIES		31,207,893	0
Share capital		2,500	2,500
Retained earnings		160,767	0
TOTAL EQUITY		163,267	2,500
TOTAL EQUITY AND LIABILITIES		31,371,160	2,500

Condensed consolidated interim statement of cash flows

(in EUR)	Note	Q4 2017
Operating profit		245,756
<i>Adjustments:</i>		
Loss / (gain) from revaluation of investment property	11	(144,000)
Decrease / (increase) in accounts receivable and prepayments	10	(445,824)
Increase / (decrease) in accounts payable and other settlements	12	602,402
Recalculated corporate income tax	6	36,226
Total cash flow from / used in operating activities		294,560
Acquisition of subsidiaries		(30,400,000)
Interest received		15
Total cash flow from / used in investing activities		(30,399,985)
Proceeds from loans and notes	13	30,528,300
Interest paid		(44,039)
Total cash flow from / used in financing activities		30,484,261
Net increase / (decrease) in cash and cash equivalents		378,836
Cash and cash equivalents at the beginning of the period	9	2,500
Cash and cash equivalents at the end of the period		381,336

Condensed consolidated interim statement of changes in equity

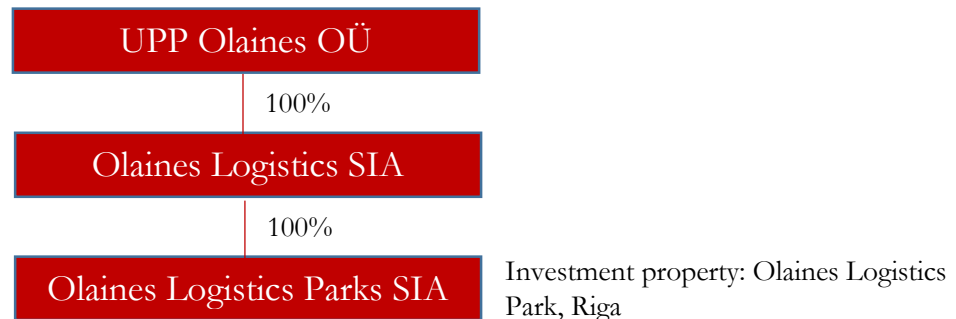
(in EUR)	Share capital	Retained earnings	Total equity
Balance at 30.09.2017	2,500	0	2,500
Total comprehensive income	0	160,767	160,767
Other changes in equity	0		0
Balance at 31.12.2017	2,500	160,767	163,267

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Corporate information

UPP Olaines OÜ is a company established on 24.08.2017 and incorporated in Estonia.

The structure of UPP Olaines OÜ as of 31.12.2017 is as follows:



For more information on subsidiaries, see Note 3.

2. Basis of preparation

The unaudited condensed consolidated interim financial statements of UPP Olaines OÜ for the fourth quarter ended on 31.12.2017 have been prepared in accordance with IAS 34 Interim Financial Reporting, except for the requirement to disclose comparative financial information. The company was founded in 24.08.2017 and did not have any economic activity until the acquisition of the investment property on 15.12.2017. Therefore the company has no:

- a) financial history for a year-on-year comparison
- b) financial history for a meaningful quarter-to-quarter comparison, as the only activity in Q3 2017 regards to the company was the registration of the company and payment of the share capital requirement

In addition, these unaudited condensed consolidated interim financial statements do not include all the information required in the complete set of IFRS financial statements; however, since the Company has not published any audited annual financial statements before, this interim report includes description of relevant significant accounting principles.

Consolidated financial statements

The consolidated financial statements include the company and its subsidiaries.

The company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries use the same accounting policies in preparing their financial statements as the parent company. Inter-company balances and transactions, including unrealised profits and losses, are fully eliminated in consolidation.

Business combinations are accounted for in the consolidated financial statements using the acquisition method. The cost of a business combination accounted for using the acquisition method is allocated to the fair value of assets, liabilities and contingent liabilities as at the date of acquisition. The difference between the cost of acquisition and the fair value of acquired assets, liabilities and contingent liabilities is recognised as goodwill. If fair value exceeds cost, the difference (negative goodwill) is immediately recognized as income of the period.

Investment property

Investment property is property (land or building or both) held or developed to earn rental income or for capital appreciation, rather than for the use in the production or supply of goods or services or for administrative purposes; or sale in ordinary course of business.

An investment property is initially recognized in the balance sheet at cost, including any expenditure items directly attributable to the acquisition of the property (e.g. notary fees, property transfer taxes, professional fees for legal services, and other transaction costs necessary for the completion of the acquisition). After initial recognition, investment property is measured at fair value at each balance sheet. The fair value is determined by independent appraisers, being the price that would be received to sell an asset in an orderly transaction between market participants at the date of measurement.

In determining the fair value, the method of discounted cash flows is used. In order to calculate the present value of a property's future cash flows, the appraiser has to forecast the property's future rental income (including rent per 1 square meter and the occupancy rate) and operating expenses. Depending on the terms of the lease (whether and how easily the lease can be terminated by lessee), the appraiser will base the projections on either the property's existing cash flows or the market's current average cash flows for similar properties. The present value of the future net cash flow is found by applying a discount rate, which best reflects the current market assessments of the time value of money and the risks specific to the asset. The discount rate is selected based on the market's average capital structure, not asset structure. The discounted cash flow method is used to determine the value of investment properties that generate stable rental income.

Gains and losses arising from changes in the value of investment property are recognized in profit or loss in the period in which they arise under the 'Gain / loss from revaluation of investment property'.

An investment property is derecognized from the balance sheet on disposition or when the property is permanently withdrawn from use and the asset is expected to generate no future economic benefits. Gains and losses arising from the derecognition of investment property are recognized in profit or loss in the period of derecognition (in Other income and other expenses, respectively).

When the purpose of use of an investment property changes, the asset is reclassified in the balance sheet. From the date of the change, the accounting policies of the group where the item has been transferred are applied. For a transfer from investment property to property, plant and equipment, the property's deemed cost for subsequent accounting is its fair value at the date of transfer.

Financial liabilities

All financial liabilities (trade payables, borrowings, accrued expenses and other current and non-current liabilities) are initially measured at cost that also includes all directly attributable expenditure incurred in the acquisition. Subsequent measurement is at amortized cost.

The amortized cost of current financial liabilities generally equals their nominal value; therefore, current financial liabilities are carried in the balance sheet in their net realizable value. Non-current financial liabilities are initially recognized at fair value less transaction costs incurred. Subsequently, these non-current financial liabilities are measured at amortized cost using the effective interest rate method. Interest expenses on financial liabilities are recognized on the line 'Interest income' and 'Interest expense' in the income statement on an accrual basis.

A financial liability is classified as current if it is due within 12 months from the balance sheet date or if the Issuer does not have an unconditional right to postpone payment of the liability more than 12 months after the balance sheet date. Loans with due date 12 months after the balance sheet date which are refinanced as non-current after the balance sheet date but before the financial statements are authorized for issue, are recognized as current.

A financial liability is derecognized from the balance sheet when the obligation under the liability is settled, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents are cash and short (up to 3 months from the moment of acquisition) high-liquidity investments that are readily convertible into a known amount of cash for up to three months from the actual transaction date and which are subject to insignificant risk of changes in market value.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from transactions. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be measured reliably.

Rental income from investment properties is recognized on a straight-line basis over the lease term.

Income from intermediation of services (utility fees of tenants, leases, and other intermediated services) the Issuer acts as an agent, which means that such revenues are not presented in gross method, but are offset against the expense on services purchased.

Finance income is recognized on an accrual basis, using the effective interest rate method.

Financial assets

All financial assets are initially recognized at cost, which is the fair value of the consideration paid for the financial asset. Acquisition costs are any costs that are directly attributable to the acquisition of the

financial asset, including fees and commissions paid to agents and advisers, as well as any non-recoverable levies, taxes and duties.

Upon initial recognition, financial assets in the scope of IAS 39 are classified in one of the following four categories of financial assets, with a principle of measurement detailed next to each:

- a) Financial assets at fair value through profit or loss – fair value
- b) Loans and receivables – amortized cost
- c) Held-to-maturity investments – amortized cost
- d) Available-for-sale financial assets – fair value or cost in case of equity instruments, the fair value of which cannot be reliably measured

Financial assets are derecognized when the Issuer loses the right to cash flow from the financial assets and also when a liability arises to transfer these cash flows in full extent without material delay to third parties, to whom most of the risks and benefits related to the financial assets are transferred.

Taxation

The company and taxation in Estonia

According to the Income Tax Act, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends. The tax rate on (net) dividends is 20/80. Income tax arising from dividend distribution is expensed when dividends are declared (when the liability arises).

Subsidiaries in Latvia

In accordance with the tax law effective until 2017, profits of entities in Latvia were taxable with income tax (15%). Therefore, until that, deferred tax was provided for on all temporary differences arising between the tax bases of assets and liabilities of Latvian subsidiaries and their carrying amounts in the consolidated financial statements. In accordance with the new Corporate Income Tax Law, starting from 1 January 2018, corporate income tax with a rate of 20/80 is levied on profits arisen after 2017 only upon their distribution. Transitional provisions of the law allow for reductions in the income tax payable on dividends, if the entity has unused tax losses or certain provisions recognized by 31 December 2017.

Due to the new tax law, there are no longer differences between the tax bases and carrying amounts of assets and liabilities, and hence, deferred income tax assets and liabilities no longer arise in respect of subsidiaries in Latvia. All deferred tax assets and liabilities recognized in previous periods were derecognized in 2017 and related income tax expense/income was recorded in the statement of profit or loss.

Leases

Leases, which transfer substantially all the risks and rewards incidental to ownership to the lessee are classified as finance leases. Other leases are classified as operating leases.

Assets subject to operating leases are recognized in the lessor's balance sheet. Operating lease payments received and made are recognized as income and expenses, respectively, on a straight-line basis over the period of the lease.

Measurement of fair values

The company measures certain non-financial assets such as investment property at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the date of measurement. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market at the measurement date.

The company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Subsidiaries

The company has a controlling interest in the following entities:

Name	Immediate parent entity	Place of incorporation	Ownership interest		Activity
			31.12.2017	30.09.2017	
Olaines Logistics SIA	UPP Olaines OÜ	Latvia	100%	0%	Holding company
Olaines Logistics Parks SIA	Olaines Logistics SIA	Latvia	100%	0%	Asset holding company

On 15.11.2017, UPP Olaines OÜ acquired Olaines Logistics SIA, a company founded in 2012 and incorporated in Latvia. Olaines Logistics SIA was acquired for the purpose of acquiring Olaines Logistics Parks SIA.

On 15.12.2017, Olaines Logistics SIA acquired Olaines Logistics Parks SIA, a company founded in 2006 and incorporated in Latvia for the price of 32,386,638, with the objective of acquiring the investment property Olaines Logistics Park.

Olaines Logistics Parks SIA purchase price analysis	Fair value
Cash	347,161
Receivables	1,639,477
Investment property (Note 11)	30,400,000
Loans and borrowings	0
Other liabilities	0
Fair value of net asset	32,386,638
Purchase price	32,386,638
Goodwill	0

4. Sales revenue segment information

By regions	Q4 2017
(in EUR)	
Latvia	190,760
Total	190,760

By activities	Q4 2017
(in EUR)	
Rental income	190,760
Total	190,760

5. Cost of goods and services sold

	Q4 2017
(in EUR)	
Technical services	(8,875)
Extra works	(6,422)
Total cost of goods and services sold	(15,297)

6. Administrative expenses

	Q4 2017
(in EUR)	
Consulting services	(38,616)
Legal services	(21,295)
Banking services	(9,344)
Accounting services	(450)
Securities services fees	(4,002)
Total administrative expenses	(73,707)

7. Financial income (cost)

	Q4 2017
(in EUR)	
Interest income	15
Interest expense	(121,230)
Total financial income (cost)	(121,215)

During Q4 2017, interest expense on the consolidated level totaled 121,230 EUR, of which

- a) 60,424 EUR was coupon payments to the bondholders
- b) 16,768 EUR was interest expense for the loan granted by United Partners Property OÜ, the parent company of UPP Olaines OÜ
- c) 44,038 EUR was interest expense for the investment loan granted by Luminor Bank

8. Income tax

	Q4 2017
(in EUR)	
Tax income from derecognition of deferred tax liabilities	36,226
Total corporate income tax	36,226

Due to the new Corporate Income Tax Law in effect from 01.01.2018, there are no longer differences between the tax bases and carrying amounts of assets and liabilities, and hence, deferred income tax assets and liabilities no longer arise in respect of subsidiaries in Latvia. All deferred tax assets and liabilities recognized in previous periods were derecognized in 2017, amounting to a tax income of 36,226 for the reporting period.

9. Cash and cash equivalents

	31.12.2017	30.09.2017
(in EUR)		
Demand deposits	381,336	2,500
Total cash and cash equivalents	381,336	2,500

10. Accounts receivable and prepayments

	31.12.2017	30.09.2017
(in EUR)		
Customer receivables	392,181	0
Prepaid expenses	51,546	0
Other short-term receivables	2,097	0
Total accounts receivable and prepayments	445,824	0

11. Investment property

As of 31.12.2017, the Issuer has made investments to the following property:

Name	Location	Area (m ²)	Year of construction	Date of acquisition	Acquisition cost	Market value at 31.12.2017
Olaines Logistics Park	Olaine region in Riga, Latvia	37,204	2007	15.12.2017	30,400,000	30,544,000

In the Q4 of 2017, the following changes have occurred in the Issuer's investment property:

Balance at the beginning 01.10.2017	0
Owed during the period	30,400,000
Income from revaluation	144,000
Balance at the end 31.12.2017	30,544,000

The Company's investment property has been evaluated by an independent appraiser.

As of 31.12.2017, the value of the investment property is based on valuation conducted in June 21 of 2017. The following significant assumptions were used to determine fair value:

As of 31.12.2017					
(in EUR)					
Property	Fair value	Valuation method	Discount rate	Exit yield	Annual rental revenue
Olaines Logistics Park	30,544,000	DCF	9%	8%	2,458,481

Independent expert valuation in regards to the fair value of investment property is based on the following:

- Rental income: real growth rates and rents under current lease agreements are used;
- Discount rate: Calculated using the weighted average cost of capital (WACC) associated with the investment property
- Exit yield rate: based on the estimated level of return at the end of the estimated holding period, taking into consideration the forecasted market conditions and the individual characteristics and risks of the property

The table below contains information about significant unobservable inputs used at 31.12.2017 in measuring investment properties categorized to Level 3 fair value hierarchy.

Type of asset class	Valuation method	Significant unobservable input	Range of estimates	Fair value measurement sensitivity to unobservable inputs
Investment property	DCF	Exit yield	7.5%-8.5%	An increase in exit yield in isolation would result in a lower value of Investment property
		Discount rate	7.5%-9.0%	An increase in discount rate in isolation would result in a lower value of Investment property
		Rental growth p.a.	0-3.3%	An increase in rental growth in isolation would result in a higher value of investment property
		Long term vacancy rate	0-10%	An increase in long-term vacancy rate in isolation would result in a lower value of investment property

12. Accounts payable and other settlements

	31.12.2017	30.09.2017
(in EUR)		
Payables to suppliers	195,991	0
Tax payables	87,903	0
Prepayments from customers	318,508	0
Interest payables	77,191	0
Total accounts payables and other settlements	679,593	0

13. Loans and borrowings

31.12.2017	Short-term part	Long-term part	Total	Currency	Interest rate	Due date
(in EUR)						
Bank loans	886,667	20,393,333	21,280,000	EUR	3m Euribor+2,4%	30.11.2022
Bonds	0	6,215,000	6,215,000	EUR	7%	10.11.2022
Shareholder loan	0	3,033,300	3,033,300	EUR	6%	Not specified
Other loans	0	0	0	EUR	0%	Not specified
Total loans and borrowing	886,667	29,641,633	30,528,300	EUR		

The company was granted an investment loan by Luminor Bank in the total amount of 21,280,000 to finance the acquisition of the investment property on November 24th 2017. The investment loan is secured by a 1st rank mortgage on the investment property.

The company issued secured subordinated bonds in the total nominal value of 6,215,000 euros on 10.11.2017. The bonds are secured by a 3rd rank mortgage over the investment property and are subordinated to the claims of Luminor Bank.

The company received a loan from its immediate parent company United Partners Property OÜ in the total amount of 3,033,000.

14. Transactions with related parties

Parent entities

The company is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest	
			31.12.2017	30.09.2017
United Partners Property OÜ	Immediate parent entity	Estonia	100%	100%
United Partners Group OÜ	Ultimate parent entity and controlling party	Estonia	100%	100%

During the reporting period, United Partners Property OÜ granted a loan to UPP Olaines OÜ in the total amount of 3,033,000 at an interest rate of 6% p.a.

Loans from United Partners Property OÜ	Q4 2017
(in EUR)	
Beginning of the period	0
Loans advanced	3,033,300
Interest charged	(16,768)

Other

No other related transactions besides the transactions listed above occurred during the reporting period.

15. Subsequent events

There have been no significant events after the end of the reporting period.

STATEMENT OF THE MANAGEMENT BOARD

The CEO and member of the management board confirms that financial and other information published in this interim report of UPP Olaines OÜ for the fourth quarter ended 31st December 2017 provides a true and fair view of the company's business development, financial performance and financial position.

Signed digitally,

Hallar Loogma

Chairman and Member of the Management Board of UPP Olaines OÜ

On 23.07.2018

**TERMS AND CONDITIONS OF UPP OLAINES OÜ
SUBORDINATED NOTE ISSUE**

DATED 31ST OCTOBER 2017

1. GENERAL PROVISIONS

1.1. These Terms and Conditions of the Issuer's Note Issue (the **Terms**) regulate:

- 1.1.1. the rights and obligations of the Issuer, the Collateral Agent and the Investors related to the Notes issued in the Estonia under these Terms;
- 1.1.2. the procedure for, and the terms and conditions of the Primary Distribution and redemption of the Notes under these Terms;
- 1.1.3. other rights and obligations of the Issuer and the Investors in the performance of transactions and operations related to the Primary Distribution and redemption of the Notes under these Terms.

1.2. **By submitting the Purchase Offer every Investor confirms that it is a sophisticated investor having broad experience and knowledge in the matters related to investments into financial instruments (including the financial instruments similar to the Notes). By submitting the Purchase Offer or acquiring the Notes every Investor agrees with and accepts these terms and conditions set forth in these Terms and its annexes and undertakes to adhere thereto.**

1.3. Each Investor acknowledges that the resale of the Notes by the Investor might under specific conditions be considered a public offer under the Estonian securities market regulation. The Investor undertakes to ensure that transfer of the Notes by such Investor would not qualify a public offer of the securities. In the light of the legislation in force in Estonia, this means that until admission to trading of the Notes on a stock exchange, on any multilateral trading facility or other trading platform in accordance with Section 1.4 of these Terms, the Investor undertakes not to transfer the Notes to any person with settlement price (i.e. the price payable for the Notes by such persons buying the Notes) of less than EUR 100,000. As an exception, the Investor may transfer the Notes to qualified investors (in Estonian: *kutseline investor*) within the meaning of § 6(2) of the Securities Market Act and to the Issuer also for the settlement price below EUR 100,000. The Investor acknowledges

that the Estonian securities market regulation may be amended from time to time and undertakes to adhere to such regulation as in force.

1.4. The Issuer shall within 6 months from the Issue Date list and apply for admission of the Notes to trading on Nasdaq Baltic Bond List. From the date when the Notes are admitted to trading, the Issuer may designate a credit institution or another financial institution as its payment agent. Thereafter the Investors may be requested and would thereafter be obliged to exercise their financial rights pertaining to the Notes through the payment agent.

2. INTERPRETATION

2.1. For the purposes of these Terms and other Note documents, the following definitions have the following meanings, if explicitly not set out otherwise in the respective documents:

- 2.1.1. **Additional Issue Date** shall mean any Issue Date after the first Issue Date and before or on the Final Issue Date;
- 2.1.2. **Additional Subscription Period** shall mean a period of time for Subscription after Initial Subscription Period determined by the Issuer, but in any case not starting before the first Issue Date and not ending on or after the Final Issue Date;
- 2.1.3. **Allocation List** shall mean the document, approved by the Issuer, stipulating the extent of fulfilment of the Purchase Offers submitted in the Primary Distribution and the quantity of the Notes to be allocated by the Issuer to each Investor;
- 2.1.4. **Acquisition** shall mean acquisition of 100% of shares in the Target by the Latvian SPV;
- 2.1.5. **Bank** shall mean Luminor Bank AS (legal address: Skanstes iela 12, Riga, LV-1013, Latvia; register code: 40003024725);
- 2.1.6. **Banking Day** shall mean a business day, i.e. any day, except Saturday, Sunday, a national or a public holiday in Estonia (for the purposes of Section 12.2 of these Terms also except a national or public holiday in Latvia);
- 2.1.7. **Collateral** shall mean:
 - 2.1.7.1. prior to completion of the Acquisition and until establishment of the Collateral referred to in Section 2.1.7.2 of these Terms, guarantee issued in favour of the Collateral Agent as a beneficiary by United Partners Property OÜ (legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; register code 11146281) (held for the benefit

- of the Investors in accordance with these Terms and the Collateral Agent Agreement); and
- 2.1.7.2. after the completion of the Acquisition, a 3rd rank mortgage in the maximum amount of EUR 8,079,500 over the Property in favour of the Collateral Agent as the pledgee (held for the benefit of the Investors in accordance with these Terms and the Collateral Agent Agreement); and
- 2.1.7.3. a claims pledge encumbering the claims of the Issuer against the Latvian SPV under the Intra-Group Loan in favour of the Collateral Agent as the pledgee (held for the benefit of the Investors in accordance with these Terms and the Collateral Agent Agreement).
- 2.1.8. **Collateral Agent** shall mean Law Office Eversheds Sutherland Bitāns (legal address: 20a Lāčplēša Street, Riga, LV-1011, Latvia; VAT register code 90000816224);
- 2.1.9. **Collateral Agreement** shall mean, considering the relevant context, the guarantee issued or to be issued in accordance with Section 2.1.7.1 of these Terms and governed by Estonian law and/or the mortgage agreement concluded or to be concluded between the Collateral Agent and the relevant Collateral Provider for establishing the Collateral defined in Section 2.1.7.2 of these Terms and governed by Latvian law and/or the claims pledge agreement concluded or to be concluded between the Collateral Agent and the relevant Collateral Provider for establishing the Collateral defined in Section 2.1.7.3 of these Terms and governed by Estonian law. Each Collateral Agreement is an annex to these Terms and constitutes an inseparable part of these Terms;
- 2.1.10. **Collateral Agent Agreement** shall mean the agreement between the Issuer and the Collateral Agent that stipulates the fees and remuneration payable to the Collateral Agent for the performance of its duties under the Terms, including in relation to establishing, holding and enforcing the Collateral in the interests of the Investors in accordance with the Terms. The Collateral Agent Agreement is an annex to these Terms and constitutes an inseparable part of these Terms;
- 2.1.11. **Collateral Provider** shall mean with respect to the Collateral referred to in Section 2.1.7.1 of these Terms United Partners Property OÜ; with respect to the Collateral referred to in Section 2.1.7.2 of these Terms, prior to the Merger the Target and after completion of the Merger the Latvian SPV and with respect to the Collateral referred to in Section 2.1.7.3 of these Terms the Issuer;
- 2.1.12. **Confirmation** shall mean a document, which is sent by the Issuer to an Investor via e-mail, or if sent via the Register, electronic data sent in another form as set forth by the Registrar, and in which the Issuer informs

the Investor of the partial or full satisfaction or the rejection of the Purchase Offer submitted by such Investor;

- 2.1.13. **Early Redemption Date** shall mean date(s) set forth in the Final Terms on which the Issuer has the right to redeem all or part of the Notes before the Maturity Date in accordance with these Terms;
- 2.1.14. **Extraordinary Early Redemption Application** shall mean an application for extraordinary early redemption of the Notes submitted by an Investor to the Issuer in accordance with these Terms;
- 2.1.15. **Extraordinary Early Redemption Date** shall mean the Banking Day on which the Issuer has an obligation to redeem all outstanding Notes of an Investor following a respective request by such Investor after occurrence of Extraordinary Early Redemption Event or the decision of the Majority Investors described in Section 15.9 of these Terms;
- 2.1.16. **Extraordinary Early Redemption Event** shall mean an event set forth in Section 15.1 of these Terms;
- 2.1.17. **Final Issue Date** shall mean the Banking Day set out in the Final Terms which is the latest possible Issue Date under the Final Terms;
- 2.1.18. **Final Terms** shall mean a document stipulating specific terms and conditions (including but not limited to the Subscription Period, the Issue Date, the Maturity Date, the Maximum Aggregate Nominal Value of the Issue, the Nominal Value of a Note, Early Redemption Date, interest rate and other payable amounts of a Note, Register, Registrar, Collateral Agent) of each respective Issue. Final Terms are an annex to these Terms and constitute an inseparable part of these Terms;
- 2.1.19. **Initial Subscription Period** shall mean the first period of time for Subscription set out in the Final Terms;
- 2.1.20. **Interest Payment Date** shall mean the date(s) as set forth in the Final Terms on which the interest accrued on the Notes is paid to the Investors;
- 2.1.21. **Intra-Group Loan** shall mean the unsecured loan issued or to be issued on or about the date of these Terms by the Issuer to the Latvian SPV in the principal amount up to EUR 9,270,000 (subordinated to the senior loan described in Section 7.1 of these Terms);
- 2.1.22. **Investor** shall mean a registered holder of a Note in the Register or where relevant a person, who has placed a Purchase Offer;
- 2.1.23. **Issue** shall mean the aggregate of the Notes issued under these Terms with the same ISIN code (for the avoidance of doubt, the previous shall also include the Notes issued on the Additional Issue Date(s));
- 2.1.24. **Issue Date** shall mean a Banking Day set out in the Final Terms on which Notes are transferred or registered to the securities or other accounts registered in the name of the Investors or their nominees in the Register

in accordance with the Allocation List (for the avoidance of doubt, the prior shall also include the Notes issued on the Additional Issue Date(s)), provided that the relevant Investors have received the Confirmations and that the Issuer has received the Issue Price as payment for the Notes in accordance with these Terms from the relevant Investors;

- 2.1.25. **Issue Price** shall mean the price set out in the Final Terms payable by an Investor for acquisition of a Note on the relevant Issue Date;
- 2.1.26. **Issuer** shall mean UPP Olaines OÜ (legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; register code 14318601);
- 2.1.27. **Latvian SPV** shall mean SIA Olaines Logistics (legal address: Zemitāna street 2B, LV-1012, Latvia; register code 40103578358);
- 2.1.28. **Majority Investors** shall mean collectively any Investors (excluding the Issuer and Related Parties holding any Notes) who hold in aggregate the Notes with the Nominal Value representing at least 2/3 of the aggregate Nominal Value of all outstanding Notes (excluding any Notes held by the Issuer and the Related Parties). For the avoidance of doubt Notes held by the Issuer or Related Parties shall not give them rights provided to the Majority Investors under these Terms;
- 2.1.29. **Maturity Date** shall mean a Banking Day set out in the Final Terms, on which the Issuer must redeem the outstanding Notes;
- 2.1.30. **Maximum Aggregate Nominal Value of the Issue** shall mean the maximum aggregate Nominal Value of the Notes that may be issued under these Terms with the same ISIN code as set out in the Final Terms;
- 2.1.31. **Merger** shall mean the merger of the Target into the Latvian SPV;
- 2.1.32. **Nominal Value** shall mean the stated value of a Note, whereas on the Issue Date the Nominal Value is the value in which a Note is denominated as set forth in the Final Terms and following the repayment of principal of the Notes the Nominal Value is equal to the outstanding principal value of the Note;
- 2.1.33. **Note** shall mean a debt security that is issued by the Issuer in accordance with these Terms and approved by the Issuer's Management Board resolution as of 31. October 2017 and the Final Terms and represents the Issuer's secured debt obligation (until the establishment of the Collateral in accordance with Section 12 of these Terms unsecured debt obligation) in the amount of the Nominal Value of the Note and the interest payable on the Note, that is issued and is redeemable in accordance with these Terms;
- 2.1.34. **Parallel Debt** shall mean a payment undertaking and the obligations and liabilities resulting from it by the Issuer to the Collateral Agent set forth in Section 11.1 of these Terms;

- 2.1.35. **Payment Date** shall mean a Banking Day on or before the relevant Issue Date designated in the Final Terms latest on which the payment of the Issue Price must be received by the Issuer;
- 2.1.36. **Primary Distribution** shall mean the Subscription and the sale of the Notes to the Investors in accordance with these Terms (for the avoidance of doubt the previous may also include the Subscription and the sale of the Notes to the Investors during the Additional Subscription Period(s));
- 2.1.37. **Promissory Note** shall mean an agreement between the Issuer and the Collateral Agent where the Issuer reassures that it owes any sums due under these Terms to the Collateral Agent and which may be used, if necessary, for the purposes of registration and enforcement of the Collateral described in Section 2.1.7.2 of these Terms;
- 2.1.38. **Property** shall mean the following real estate: (buildings and land) located at "Šarlotes", Olaines county, Olaines parish, Latvia, cadastre number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish, consisting of a land plot (cadastre designation 8080 003 0029) and four buildings – freezer (cadastre designation 8080 003 0029 001), warehouse (cadastre designation 8080 003 0029 002), fire-protection reservoir (cadastre designation 8080 003 0029 003) and pumping station (cadastre designation 8080 003 0029 001);
- 2.1.39. **Purchase Offer** shall mean a document, which is submitted by the Investor to the Issuer substantially in the form set out in an annex to the Final Terms, or if the Purchase Offer is submitted via the Register, in another form as set forth by the Registrar, and in which the Investor expresses its wish to acquire, through Primary Distribution, a certain amount of the Notes and undertakes to pay the Issue Price (which, if relevant, may also be the Issue Price on the Additional Issue Date) for the number of Notes indicated in the Purchase Offer;
- 2.1.40. **Qualifying Purchase Offers** shall mean the Purchase Offers which have been submitted according to these Terms and which are decided by the Issuer to be satisfied either wholly or partially in accordance with these Terms;
- 2.1.41. **Redemption Price** shall mean the payment payable by the Issuer to the Investors upon the regular redemption of the Notes (i.e. on the Maturity Date) or early redemption of the Notes (i.e. on the Early Redemption Date or the Extraordinary Early Redemption Date), calculated in accordance with these Terms;
- 2.1.42. **Register** shall mean the register in which the Notes shall be registered as set out in the Final Terms;
- 2.1.43. **Registrar** shall mean the person operating the Register as set out in the Final Terms;

- 2.1.44. **Related Parties** shall mean the Issuer's shareholders, members of the Issuer's management board and supervisory board (if relevant) and legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
- 2.1.45. **Secured Obligations** shall mean any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or in any other capacity) of the Issuer towards the Investors or any of them or towards the Collateral Agent from time to time under these Terms and its annexes, including but not limited to the Collateral Agent Agreement, including but not limited to the obligations arising from the Notes and the Parallel Debt;
- 2.1.46. **Subordination Agreement** shall mean the agreement concluded or to be concluded on or around the date of these Terms between the Issuer, the Latvian SPV, the Investors, the Collateral Agent and the Bank. The Subordination Agreement is an annex to these Terms and constitutes an inseparable part of these Terms;
- 2.1.47. **Subscription** shall mean submitting and receiving of Purchase Offers for the Notes;
- 2.1.48. **Subscription Period** shall mean Initial Subscription Period and Additional Subscription Period;
- 2.1.49. **Target** means SIA Olaines Logistics Parks (legal address: "Šarlotes", Grēnes, Olaine county, Olaine parish, LV-2127, Latvia; register code 40003881015).
- 2.2. The headings in these Terms have been entered for convenience purposes only and shall have no impact on the interpretation of any provision of these Terms.
- 2.3. If an Interest Payment Date, an Early Redemption Date or an Extraordinary Early Redemption Date falls on a day that is not a Banking Day, then the due date of payments and the settlement date of transactions that should occur on the day that is not a Banking Day, shall be the immediately following Banking Day. This shall not affect the sums that shall be paid, which shall be the same as if the payment or settlement had taken place on the initial Interest Payment Date, Early Redemption Date or an Extraordinary Early Redemption Date.
- 2.4. All references in these Terms and in any annexes to these Terms to the time are references to the Estonian time, unless provided otherwise.

3. OBLIGATIONS, WARRANTIES AND CONTACT DATA OF THE ISSUER

- 3.1. The Issuer shall, in accordance with these Terms, including the Final Terms, issue the Notes and perform the obligations arising from the Notes to the Investors, as well as perform to the Investors and the Collateral Agent all other Issuer's obligations arising from these Terms.
- 3.2. The Issuer shall be liable to the Investors for due and complete fulfilment of its obligations arising from the Notes with all of its assets in accordance with the applicable laws.
- 3.3. The Issuer warrants to the Investors at the date of these Terms and for as long as any Notes are outstanding and have not been redeemed in full in accordance with these Terms that:
 - 3.3.1. the Issuer is a duly incorporated and validly existing legal person acting pursuant to the laws of Estonia;
 - 3.3.2. the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) is a duly incorporated and validly existing legal person acting pursuant to the laws of Latvia;
 - 3.3.3. all the Issuer's obligations assumed under these Terms are valid and legally binding to the Issuer and performance of these obligations is not contrary to law or the Issuer's articles of association;
 - 3.3.4. the Issuer has all the rights and sufficient authorisations to issue the Notes and fulfil obligations arising from the Notes and these Terms and the Issuer has performed all the formalities required for it to be able to issue the Notes;
 - 3.3.5. all information that is provided by the Issuer to the Investors and the Collateral Agent is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any respect;
 - 3.3.6. subject to Section 7 of these Terms, the Issuer and the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) are solvent, able to pay their debts as they fall due, there are no liquidation, compulsory execution, reorganisation (in Estonian: *saneerimine*; in Latvian: *reorganizācija*) or bankruptcy proceedings pending or initiated against the Issuer or the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target);
 - 3.3.7. on the date of these Terms and on each Issue Date there are no court or arbitration proceedings pending or initiated against the Issuer or the Latvian SPV, in case of which, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the economic condition of the Issuer.

3.4. The Issuer shall be obliged to comply with the following covenants until the Notes are fully repaid:

- 3.4.1. the Issuer shall ensure that the sole business of the Latvian SPV (and after the Acquisition, but prior to the Merger, the sole business of the Target) is to own, rent out and manage the Property and to offer associated services;
- 3.4.2. no loans shall be granted by the Issuer to third persons (including to Related Parties) and the Issuer shall not secure or guarantee any obligations of third persons (including of Related Parties), except for the loans granted by the Issuer to legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
- 3.4.3. the Issuer undertakes to ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not borrow from third persons (including from Related Parties) and shall not grant loans to third persons (including to Related Parties) and the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not secure or guarantee any obligations of third persons, except for the following:
 - 3.4.3.1. the establishment of the Collateral (i.e. claims pledge) in accordance with Section 12.1 of these Terms;
 - 3.4.3.2. the loan described in Section 7.1 of these Terms;
 - 3.4.3.3. the Intra-Group Loan;
- 3.4.4. the Issuer undertakes to ensure that all property management services outsourced by it or by the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall be outsourced at an arm's length and on market conditions;
- 3.4.5. Issuer shall ensure that its debt service coverage ratio on consolidated level shall not fall below 1.1;
- 3.4.6. subject to Section 7.6 of these Terms, the Issuer shall own 100% of share capital of the Latvian SPV (and after the Acquisition, but prior to the Merger, the Latvian SPV shall own 100% of share capital of the Target);
- 3.4.7. the Issuer shall ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not transfer the ownership of the Property to any third person nor conclude any agreements for such transfer of ownership;
- 3.4.8. the Issuer shall ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not encumber the Property owned by the latter with mortgages, except for the mortgages described in Section 3.4.3.1 of these Terms and except for establishment of the Collateral in accordance with Section 12.1 of these Terms;

- 3.4.9. the Issuer shall ensure establishment of the Collateral in accordance with Section 12.1 of these Terms and validity and enforceability of the Collateral in accordance with the Collateral Agreement;
- 3.4.10. the Issuer shall ensure that after its establishment the Collateral described in Section 2.1.7.2 and until the release of such Collateral the Property is properly insured at all times and undertakes within 10 Banking Days of the respective request by an Investor or the Collateral Agent to provide such Investor or the Collateral Agent with documents evidencing the insurance cover;
- 3.4.11. payments related to the principal outstanding on the Notes held by the Issuer shall be subordinated to the payments of principal due on Notes held by other Investors and shall be paid out only after all due and payable principal payments have been made in full to the other Investors;
- 3.4.12. when making payments related to the principal outstanding on the Notes held by the Issuer's Related Parties the Related Parties shall be treated equal to other Investors and shall in no way be preferred to other Investors;
- 3.4.13. the Issuer may not merge or demerge and shall ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not merge or demerge, except for the Merger;
- 3.4.14. The Issuer may deviate from the covenants set forth in this Section 3.4 of these Terms upon the consent of the Majority Investors.

3.5. The Issuer undertakes to provide the Investors and the Collateral Agent with the following information:

- 3.5.1. audited annual reports of the Issuer and the consolidation group by the end of the fourth month following the financial year for which the report is prepared, signed by the management board;
- 3.5.2. quarterly reports (comprising of the balance sheet as at the end of the reporting period and income statement for the reporting period) of the Issuer and the consolidation group by the end of the first month following the quarter for which the report is prepared, signed by the management board and/or the general manager and chief accountant (as appropriate);
- 3.5.3. together with the quarterly reports a confirmation that the covenant in Section 3.4.5 of these Terms is fulfilled, signed by the Issuer;
- 3.5.4. together with the quarterly reports statement regarding occurrence or non-occurrence of an Extraordinary Early Redemption Event, signed by the Issuer;
- 3.5.5. information on any new debt security issues within 5 Banking Days after the issue;
- 3.5.6. information on new share issues within 5 Banking Days after the issue;

- 3.5.7. information on changes in the shareholder structure and the management of the Issuer or the Latvian SPV stating name, surname and professional experience of a new member within 5 Banking Days after the change;
- 3.5.8. information on any court or arbitration proceedings pending or initiated against the Issuer or the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target), where, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the economic condition of the Issuer;
- 3.5.9. information on Notes repurchases in case the repurchase offer is made to all Investors by the Issuer including Nominal Value and price for each transaction within 5 Banking Days after the relevant transaction;
- 3.5.10. statement on breach of the Secured Obligations within 1 Banking Day after such an event has occurred.

3.6. In case the Notes are admitted to trading on a stock exchange, on any multilateral trading facility or other trading platform, the rules and regulations of the relevant stock exchange, multilateral trading facility or other trading platform shall be applied to the reporting obligations of the Issuer and Section 3.5 of these Terms shall be applied only to the extent it is not contrary to mandatory rules of the relevant stock exchange, multilateral trading facility or other trading platform or law as applicable after admission to trading. If the reporting frequency of the relevant stock exchange, multilateral trading facility or other trading platform is lower than the frequency in Section 3.5 of these Terms, the frequency as set forth in Section 3.5 of these Terms shall be applied (while the contents of the reports would be determined as provided in the first sentence of this Section).

3.7. Notices and documents to the Issuer shall be valid only if made and forwarded in writing either by post or e-mail by using the following contact details and provided that those include reference to the Notes, unless otherwise provided for in these Terms:

UPP Olaines OÜ

Pärnu mnt 141, Tallinn, 11314, Estonia

Tel.: +372 6616 450

E-mail: info@unitedpartners.ee

Attn: Hallar Loogma/Kevin Soon

4. OBLIGATIONS AND CONTACT DATA OF THE COLLATERAL AGENT

4.1. By submitting the Purchase Offer or acquiring the Notes on the secondary market, each Investor:

- 4.1.1. appoints the Collateral Agent to act as its agent and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under these Terms and its annexes, including the Collateral Agent Agreement and the Collateral Agreement;
- 4.1.2. authorises the Collateral Agent to sign the Subordination Agreement (and any amendments thereto) on behalf of the Investor(s) and/or approves that the Collateral Agent has signed the Subordination Agreement on behalf of the Investor(s);
- 4.1.3. acknowledges that the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent;
- 4.1.4. confirms that the fact that the Collateral Agent acts under the Collateral Agent Agreement concluded with the Issuer does not constitute any conflict with the interests of the Investor;
- 4.1.5. confirms that the fact that the Collateral secures, *inter alia*, the Issuer's obligations towards the Collateral Agent does not constitute any conflict with the interests of the Investor (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 Section 13.1.1 of these Terms);
- 4.1.6. agrees that upon the performance of its obligations and exercising of its rights in connection with the Collateral, the Collateral Agent shall be entitled to act at its discretion, considering the interests of the Investors collectively and generally (and not of any particular Investor), unless specifically instructed otherwise by the Majority Investors in accordance with Sections 12.3.2, 12.6 or 12.7 of these Terms and without prejudice to Section 12.9 of these Terms.

4.2. The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Collateral Provider establishes the Collateral for the benefit of the Collateral Agent in accordance with these Terms to secure the Secured Obligations. The functions and obligations of the Collateral Agent are limited to those expressly specified in these Terms. The Collateral Agent does not have any obligation:

- 4.2.1. 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 on the account of any assets of the Issuer,

except for enforcing the Collateral in accordance with these Terms and relevant instructions from the Majority Investors;

- 4.2.2. to ensure the existence or validity of the Collateral (except for the existence and validity of the Collateral 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),
- 4.2.3. to preserve the Collateral or its value or to assess any rights arising from or relating to the Collateral;
- 4.2.4. to inform the Investors or the Issuer about any circumstances except to the extent such obligation to provide information is explicitly set forth in these Terms;
- 4.2.5. to provide any advice to the Investors in legal, accounting, tax or other matters.

4.3. The Investors shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms.

4.4. The Collateral Agent is not a party to the legal relationship between the Issuer and the Investors and is under no circumstances liable for the performance of the obligations of the Issuer.

4.5. 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 Investors without having any independent interests of its own (for the avoidance of doubt, 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 Section 13.1.1 of these Terms) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with these Terms the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Investors upon failure to obtain instructions from the Majority Investors, however the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Investors described in Section 12.3.2 of these Terms.

4.6. Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right at its own cost to use the services of third parties and to appoint third

party representatives (including in the course of performance of its tasks and acts as stipulated in these Terms, including in the Collateral Agreement). 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, including the Collateral Agreement, Section 4.11 of the Terms is applicable.

- 4.7. Upon relevant request from the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Investors stating the outstanding Nominal Value of the Notes each of them is holding and their latest known e-mail addresses.
- 4.8. At the request of the Collateral Agent, the Investor shall provide the Collateral Agent with any information required by the latter for the purposes of identification of the Investor and/or for the performance of other obligations arising from applicable laws and regulations.
- 4.9. The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control or sphere of influence of the Collateral Agent.
- 4.10. The Collateral Agent is only liable for the breach of any of its obligations under the Terms, including the Collateral Agent Agreement or the Collateral Agreement, in the event of gross negligence or wilful intent of the Collateral Agent. The liability of the Collateral Agent is limited to EUR 300,000 save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.
- 4.11. The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under the Terms, including the Collateral Agreements, in accordance with the Collateral Agent Agreement. As regards the costs, the Issuer shall compensate to the Collateral Agent all payments made by the Collateral Agent to third parties for the purposes of establishment, amendment, termination and enforcement of the Collateral in accordance with the Terms and the Collateral Agreement (including, without limitation, state fees and taxes, other fees and payments established by laws and regulations, costs and expenses incurred by the Collateral Agent) as well as all damages incurred by the Collateral Agent in relation to the same.
- 4.12. The Collateral Agent shall have the right to withhold the performance of its duties and obligations in case of delay in payment of the relevant fees and costs as specified in Section 4.11 of these Terms. The Collateral Agent does not have a right to withhold the performance of its duties and obligations in case the Investors have compensated such fees and costs to the Collateral Agent. In the

latter case the Issuer undertakes to compensate the relevant fees and costs to the relevant Investors.

- 4.13. The Collateral Agent has the right to terminate the Collateral Agent Agreement in case (a) the Collateral described in Section 2.1.7.1 of these Terms has not been established within the relevant term stipulated in Section 12.1 of these Terms and/or (b) the Collateral Agent withdraws from performance of the tasks set out in these Terms on grounds set out in Section 12.12 of these Terms. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of this Collateral Agent Agreement, except that the Collateral Agent shall return the prepaid monthly fees designated for the period starting from the month following the month when the Collateral Agent Agreement was terminated.
- 4.14. The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Issue.
- 4.15. The Collateral Agent acknowledges that it shall not have the right to advise the Issuer and/or Related Parties and to provide any services to the Issuer and/or Related Parties in any legal matters for as long as the Collateral Agent is performing its obligations under these Terms.
- 4.16. 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 following contact details and provided that those include reference to the Notes:

Law Office Eversheds Sutherland Bitāns

20a Lāčplēša Street, Riga, LV-1011, Latvia

Tel.: +371 67280102

E-mail: birojs@eversheds-sutherland.lv

Attn: Māris Vainovskis

5. NOTES

- 5.1. The Notes shall be denominated in Euros (EUR).
- 5.2. A Note shall be valid from the registration of the Notes in the Register until deletion of the Notes from the Register in accordance with Section 14.8 of these Terms.
- 5.3. The Notes are freely transferable and can be freely encumbered unless otherwise stated in the Final Terms or applicable laws.
- 5.4. All payments to the Investors by the Issuer in connection with the Notes shall be made in the currency in which the Notes are denominated.

6. DOCUMENTS OF THE NOTES

- 6.1. The documents of the Notes are the following:

- 6.1.1.1. these Terms;
 - 6.1.1.2. the Final Terms;
 - 6.1.1.3. the Purchase Offers;
 - 6.1.1.4. the Confirmations;
 - 6.1.1.5. the Collateral Agreements;
 - 6.1.1.6. the Collateral Agent Agreement;
 - 6.1.1.7. the Subordination Agreement.
- 6.2. The Issuer shall gather and keep the documents submitted by the Investors.
- 6.3. Each Investor may review the documents of the Notes referred in the above Section 6.1 of these Terms, except for the Purchase Offers and the Confirmations submitted by other Investors, at the Issuer's office located at the address indicated in these Terms and make copies and excerpts therefrom at their own expense.
- 6.4. In addition, if the Register enables that, each Investor can review the documents described in Section 6.3 of these Terms through the Register, to the extent available.

7. SUBORDINATION

- 7.1. On or around the date of these Terms the Latvian SPV has concluded or is to conclude EUR 21,280,000 term loan agreement with the Bank to finance the Acquisition. The term loan is subject to the following:
- 7.1.1.1. share pledge over 100% of the shares in the Latvian SPV;
 - 7.1.1.2. share pledge over 100% of the shares in the Target (prior to the Merger);
 - 7.1.1.3. mortgage(s) encumbering the Property;
 - 7.1.1.4. pledge over receivables under lease agreement with anchor tenants of the Property;
 - 7.1.1.5. subordination in accordance with this Section 7 and subordination of claims of the Issuer against the Latvian SPV under the Intra-Group Loan;
 - 7.1.1.6. the project interest rate is to be hedged or capped against fluctuation risk with Bank (2nd rank mortgage encumbering the Property is to be provided for granted derivatives limit securitization);
 - 7.1.1.7. a guarantee fund in a form of specific account within the Bank is to be established, where accumulated free cash until it reaches in total EUR 300,000 is channelled to serve as a buffer for payments to service liabilities against Bank and/or Investors.
- 7.2. The claims of the Investors arising from these Terms, including the Notes and annexes to these Terms, are subordinated to the claims of the Bank against the Latvian SPV under the loan**

agreement described in Section 7.1 of these Terms and to any possible claims of the Bank against the Issuer under the Subordination Agreement in accordance with the Subordination Agreement and as described in Section 7.4 of these Terms. For the avoidance of doubt, the claims of the Collateral Agent arising from these Terms are not subject to subordination under the Subordination Agreement.

- 7.3. The detailed terms and conditions for the subordination arise from the Subordination Agreement. By subscribing to the Notes, the Investor unconditionally and irrevocably agrees to such subordination of claims arising from these Terms and from the Subordination Agreement. In accordance with Section 4.1.2 of these Terms each Investor has authorised the Collateral Agent to sign the Subordination Agreement (and any amendments thereto) on behalf of the Investor(s) and/or approved that the Collateral Agent has signed the Subordination Agreement on behalf of the Investor(s). Each Investor acknowledges that it has become or will become a party to the Subordination Agreement and undertakes to act in accordance with the Subordination Agreement.
- 7.4. Each Investor acknowledges that in accordance with the Subordination Agreement and for as long as the claims are subordinated in accordance with the Subordination Agreement, i.e. as long as the Latvian SPV has completely fulfilled its payment obligations under the loan agreement described in Section 7.1 of these Terms towards the Bank and the Issuer has completely fulfilled any of its possible payment obligations under the Subordination Agreement towards the Bank:
- 7.4.1. the Issuer has no right to make payments under these Terms to the Investors without prior written consent from the Bank. Notwithstanding provisions of this Section 7.4.1 of these Terms, provided that the financial covenants described in the loan agreement described in Section 7.1 of these Terms have been fulfilled properly, the Issuer shall be entitled without the written consent of the Bank to pay Interest to the Investors in accordance with these Terms;
- 7.4.2. for the avoidance of doubt, despite the prohibition to make payments as described in Section 7.4.1 of these Terms and the prohibition to demand redemption as described in Section 7.4.7 of these Terms, any payment delay would be considered a breach of these Terms;

- 7.4.3. the Investors shall not initiate enforcement of the Collateral in accordance with these Terms without prior written consent from the Bank;
- 7.4.4. in the event of liquidation or bankruptcy of the Issuer, all liabilities of the Issuer arising from the Terms are settled after the claims of the Bank against the Issuer arising from the Subordination Agreement have been fully settled pursuant to applicable legislation (for the avoidance of doubt this does not affect the right of the Investors and the Collateral Agent to have their claims satisfied on account of the proceeds received from the enforcement of the Collateral in accordance with applicable law);
- 7.4.5. these Terms cannot be amended without the prior written consent of the Bank (however, if the amendment would not negatively affect the rights and obligations of the Bank, such approval shall not be unreasonably withheld by the Bank);
- 7.4.6. the Issuer shall not offer early redemption to the Investors without prior written consent of the Bank;
- 7.4.7. the Investors shall not demand redemption of the Notes (all or part of the outstanding Nominal Value of the Notes) neither on the Maturity Date, Early Redemption Date nor, if applicable, in case of occurrence of the Extraordinary Early Redemption Event without prior written consent from the Bank (for the avoidance of doubt, the Investors have a right to demand redemption of the notes on the Early Redemption Date or on the Extraordinary Early Redemption Date, if the Bank has granted its consent for the relevant redemption).
- 7.5. Upon receipt of a respective notification from the Issuer or the Bank that the payments under these Terms have been stopped in accordance with Section 7.4.1 of these Terms, the Collateral Agent shall immediately inform all Investors accordingly.
- 7.6. Within 45 days from the receipt of the notice described in Section 7.5 of these Terms the Investors shall have a right to propose to the Issuer to transfer the shares in the Latvian SPV for a fee to a person designated by the Investors subject to a condition that all Notes shall be redeemed and all outstanding claims under these Terms shall be satisfied. The date when all Notes are redeemed shall be considered an Early Redemption Date. The Investors acknowledge that according to the loan agreement described in Section 7.1 of these Terms such transaction requires consent from the Bank. The Bank shall notify the Investors of its decision regarding granting of the consent within 30 days from receipt of the relevant proposal from the Investors. The Issuer shall have

the right but not an obligation to transfer the shares to such third person.

7.7. If the Collateral Agent becomes aware that the claims are no longer subordinated in accordance with the Subordination Agreement, it immediately informs all Investors accordingly. Notwithstanding, the Collateral Agent has a right not to send such notification without having received a respective confirmation from the Bank.

8. PURCHASE OFFERS AND CONFIRMATIONS

8.1. To submit a Purchase Offer, the Investor must have a securities or other account, opened with the Register in its own name or in the name of its nominee.

8.2. The Purchase Offers shall be submitted in with the format and under the procedure set forth in these Terms and the Final Terms. The Purchase Offers shall be prepared in writing or, if the Register so requires, in another format reproducible in writing and suitable to the Registrar.

8.3. Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price (where relevant, the aggregate Issue Price on the Additional Issue Date) less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.

8.4. The Purchase Offer must contain the following information, unless otherwise stated in the Final Terms:

8.4.1. the Investor's or the nominee's name, personal identification code or register code and contact data (name of a contact person, address, telephone and e-mail addresses);

8.4.2. the securities account and current account numbers of the Investor or its nominee;

8.4.3. the date of submission of the Purchase Offer;

8.4.4. the number of the Notes to be subscribed by the Investor;

8.4.5. the aggregate Nominal Value of the Notes to be subscribed by the Investor; and

8.4.6. the Investor's or the nominee's signature.

8.5. A Purchase Offer shall be considered valid, if submitted during the relevant Subscription Period, if drawn up substantially in the required form and substance, and if the Investor pays the amount indicated on the Confirmation by the established term. The Issuer may, at its sole discretion, treat as valid also Purchase Offers

submitted after the relevant Subscription Period, but before the relevant Issue Date.

8.6. At the latest by 16:30 on the last Banking Day before the relevant Payment Date the Issuer shall submit the Confirmation to each Investor. If the latter is not possible, because the Issuer in accordance with Section 8.5 of these Terms has treated as valid also Purchase Offers submitted after the relevant Subscription Period, the Issuer shall submit the Confirmation to the relevant Investors latest by 16:30 on the last Banking Day before the relevant Issue Date.

8.7. The Issuer may reject any of the Purchase Offers for whichever reason. In case of rejection of the Purchase Offer, the reason for rejection shall not be indicated in the Confirmation.

8.8. Upon partial or complete satisfaction of the Purchase Offer, the Issuer shall indicate the following information in the Confirmation, unless otherwise stated in the Final Terms:

8.8.1. the number of the Notes subscribed for by the Investor;

8.8.2. the number of the Notes to be sold to the Investor;

8.8.3. the Issue Date;

8.8.4. the Issue Price;

8.8.5. the Payment Date;

8.8.6. the current account number to which the Issue Price shall be paid;

8.8.7. sum of the Issue Prices of the Notes to be sold to the Investor, i.e. the amount to be paid by the Investor.

8.9. The terms of the Purchase Offer shall be binding on each and every acquirer of the Notes.

9. PRIMARY DISTRIBUTION

9.1. The Primary Distribution shall be carried out by way of private placement in accordance with § 12(2) of the Securities Market Act.

9.2. The Issuer shall have the right to issue the notes until the Final Issue Date.

9.3. The Issuer shall have the right to issue the notes up to the Maximum Aggregate Nominal Value. The Issuer shall have the right, until the Issue Date (including) of each Issue, to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date of each Issue, to decrease the Maximum Aggregate Nominal Value of the Issue.

- 9.4. After expiry of the relevant Subscription Period (or later in accordance with Section 8.5 of these Terms), the Issuer shall determine the Qualifying Purchase Offers. On the basis of Qualifying Purchase Offers, the Issuer shall determine the extent of satisfying the Purchase Offers.
- 9.5. Investors whose Purchase Offers were partially or completely satisfied are obliged to transfer the Issue Price which has been indicated in the Confirmation and which is payable for the Notes, to the current account which has been designated for payment of the Issue Price in the Confirmation at the latest by 11:00 (i.e. 11 am) on the relevant Payment Date (as defined in the Final Terms) or other date designated for payment in the Confirmation (the latter is possible in case the Issuer in accordance with Section 8.5 of these Terms has treated as valid also Purchase Offers submitted after the relevant Subscription Period and this has caused the need to designate a later payment date). The Issuer has the right but not an obligation to accept also payments made with delay.
- 9.6. The Notes shall be registered on the relevant Issue Date in the Register in the securities or other accounts of the Investors (or their nominees) who subscribed to and paid for them in the course of the Primary Distribution.
- 9.7. The Issue shall be registered in accordance with the applicable legal acts and regulations.
- 9.8. The Issuer shall have the right to subscribe to the Notes in the course of Primary Distribution. If the Issuer has subscribed to the Notes in the course of the Primary Distribution, the Issuer as an Investor shall not be required to make payment for the Notes in the course of the Primary Distribution. The Notes shall be registered in the Register in the securities or other account of the Issuer as an Investor on the date of issuing the respective Notes in the amount provided in the Confirmation sent to the Issuer as an Investor.
- 9.9. The Issuer may open Additional Subscription Period(s) at its discretion. If the Issuer opens Additional Subscription Period(s):
- 9.9.1. any Additional Subscription Period must be at least 5 Business Days;
- 9.9.2. the Issuer shall inform all Investors of opening the Additional Subscription Period;
- 9.9.3. Investors can submit Purchase Offers until the end of the Additional Subscription Period;

- 9.10. Unless clearly identified otherwise in these Terms, the Notes issued on Additional Issue Date shall be issued in following the same procedure and carry same rights as Notes issued on first Issue Date.

10. INTEREST PAYMENTS, DEFAULT INTEREST

- 10.1. The Issuer shall pay interest on the Nominal Value of the Notes. Interest shall be paid on each respective Interest Payment Date and shall be calculated on 30E/360 basis. Applicable interest rate shall be determined in the Final Terms.
- 10.2. Interest shall be calculated on the Notes from the Issue Date up to and including the Maturity Date or, if the Notes are to be redeemed on the Early Redemption Date, up to and including the Early Redemption Date or, if the Notes are to be redeemed on the Extraordinary Early Redemption Date, up to and including the Extraordinary Early Redemption Date.
- 10.3. The Issuer shall transfer the interest payments to the current accounts of those Investors who, according to the Register information, hold the Notes at the end of the business day of the settlement system of the Register, 4 Banking Days before the relevant Interest Payment Date.
- 10.4. The interest payment on all Interest Payment Dates is determined according to the following formula:
- 10.4.1. $CPN = F \times C \times n/360$ where;
 - 10.4.2. CPN – value of interest in EUR;
 - 10.4.3. F – Nominal Value as at the relevant Interest Payment Date;
 - 10.4.4. C – annual interest rate payable on the Notes;
 - 10.4.5. n – number of days since the Issue Date or the last Interest Payment Date calculated on 30-day month basis.
- 10.5. In case the Issuer does not pay timely any amount due under these Terms on the dates determined in accordance with these Terms, the Issuer shall be obliged to pay the Investors or, as the case may be, the Collateral Agent, default interest in the rate of 0,05% of the delayed amount per each delayed day.

11. PARALLEL DEBT

- 11.1. Notwithstanding any other provision of these Terms, for the purpose of ensuring and preserving the perfection and enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Investors and as a solidary creditor together with the Investors for the purposes of Estonian law (in Estonian: *solidaarvõlausaldaja*), sums equal to and in the currency of the total of each amount payable by the Issuer to each of the Investors (whether present or future and whether actual or contingent) under

these Terms as and when the amount falls due for payment under these Terms.

- 11.2. The Collateral Agent shall be a solidary creditor (in Estonian: *solidaarvõlausaldaja*) (together with the Investors) of each and every obligation (whether present or future and whether actual or contingent) of the Issuer to the Investors or any of them and, accordingly, the Collateral Agent shall have its own independent right to demand performance by the Issuer of any of those obligations.
- 11.3. 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 Investors under these Terms, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 11.4. 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 Investors under these Terms will be decreased accordingly, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 11.5. To the extent the Collateral Agent receives any amount in payment of the Parallel Debt following its respective specific written claim made to the Issuer, the Collateral Agent shall transfer such amount to the Investors in accordance with these Terms.
- 11.6. For the purpose of clarification, the Parallel Debt will become due and payable at the same time and to the same extent as the obligations of the Issuer to the Investors under these Terms become due and payable.
- 11.7. The Parallel Debt may be transferred only to a successor of the Collateral Agent.

12. ESTABLISHMENT, RELEASE AND ENFORCEMENT OF THE COLLATERAL

- 12.1. For the purpose of constituting security for the due and punctual payment, discharge and performance of the Secured Obligations, the Collateral shall be established in favour of the Collateral Agent and in legal terms the Collateral serves as a security for the Secured Obligations of the Issuer towards the Collateral Agent. The Issuer shall conclude the relevant Collateral Agreement for establishment of the claims pledge referred to in Section 2.1.7.3 of these Terms and shall ensure that United Partners Property OÜ issues the guarantee referred to in Section 2.1.7.1 of these Terms latest on the last Banking Day prior to the first Payment Date. The Issuer shall ensure that the Target concludes the relevant Collateral Agreement for establishment of the mortgage referred

to in Section 2.1.7.2 of these Terms immediately after the completion of the Acquisition and ensure that the referred mortgage is registered within 45 days from the completion of the Acquisition. If a Promissory Note is required to register the mortgage referred to in Section 2.1.7.2 of these Terms, the Issuer and the Collateral Agent shall conclude such Promissory Note in the form suitable to the relevant register. For the avoidance of doubt a Promissory Note does not constitute an independent or separate claim and the Collateral Agent may demand payment of any sum under a Promissory Note only in the amount and to the extent such equivalent sum has become due and payable under these Terms.

- 12.2. Within 10 Banking Days from establishment of the mortgage referred to in Section 2.1.7.2 of these Terms in accordance with Section 12.1 of these Terms the Issuer (or its legal advisors) shall provide a legal opinion to the Collateral Agent stating that the mortgage has been validly registered in the relevant Latvian register for mortgages and that the respective Collateral Agreement is enforceable.
- 12.3. Subject to Section 7 of these Terms, the Collateral Agent shall take all actions that the Collateral Agent as the holder of the Collateral may be expected to reasonably take with the purpose to enforce the Collateral according to the procedure provided for in the Collateral Agreement in case:
 - 12.3.1. the Secured Obligations are not performed in accordance with their respective terms of which the Collateral Agent has been informed in accordance with Section 12.5 of these Terms; and
 - 12.3.2. Majority Investors of a respective Issue have instructed the Collateral Agent in writing to enforce the Collateral (for the avoidance of doubt, the Majority Investors have such right only if the Secured Obligations are not performed in accordance with their respective terms, and in their instructions to enforce the Collateral the Majority Investors have to specify which Secured Obligations have been breached).
- 12.4. In accordance with Section 3.5.10 of these Terms, the Issuer shall inform the Collateral Agent and the Investors of breach of any of the Secured Obligations latest within 1 Banking Day after such an event has occurred.
- 12.5. The Collateral Agent may assume that no violation of the Secured Obligations has occurred unless the Collateral Agent has received notice to the contrary from the Issuer, or has been notified in accordance with Section 12.3.2 of these Terms accordingly by the Majority Investors.
- 12.6. In case the conditions set out in Section 12.3 of these Terms have been fulfilled (i.e. the Collateral Agent has been instructed to enforce the Collateral), the Majority Investors have the right to instruct the Collateral Agent to take

specific actions to enforce the Collateral according to the procedure provided for in the Collateral Agreement.

- 12.7. The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Investors 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. Upon such request, the Investors 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. The Collateral Agent may refrain from acting unless and until Majority Investors have together provided the Collateral Agent with requested instructions or clarifications.
- 12.8. If the Majority Investors in accordance with Section 12.3.2 of the Terms have instructed the Collateral Agent to enforce the Collateral, the Collateral Agent shall immediately inform all Investors of such instructions. For the avoidance of doubt, in such case Section 15.9 of these Terms shall apply. If the Majority Investors in accordance with Sections 12.6 or 12.7 of these Terms have provided instructions to the Collateral Agent, the Collateral Agent shall inform all Investors of such instructions.
- 12.9. If, under Sections 12.3.2 or 12.6 of these Terms or following the request of the Collateral Agent submitted under Section 12.7 of these Terms, the Majority Investors have duly instructed the Collateral Agent, the Collateral Agent is obligated to comply with these instructions. Any such instructions from the Majority Investors will be binding on all Investors. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions and the Investors who have given such instructions shall fully indemnify the Collateral Agent if the Collateral Agent is held liable for this. However, the Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to these Terms, the Final Terms, the Collateral Agreement, the Collateral Agent Agreement or applicable legislation or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with such legislation. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Investors until it has received such indemnification or security as it may 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.
- 12.10. Without prejudice to Section 12.9 of these Terms, the Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its discretion reasonably believes is in the best interest of the Investors. The Collateral Agent shall not be liable in front of Investors for acting (or refraining from acting) as described in this Section.

- 12.11. The Collateral Agent shall not be liable in front of Investors for the outcome of the enforcement of the Collateral, provided that the Collateral Agent has acted in accordance with these Terms. For the avoidance of doubt, Section 4.9 of these Terms remains applicable.
- 12.12. The Collateral Agent shall have the right to unilaterally terminate the performance of its duties hereunder (including, without limitation, terminate the enforcement of the Collateral) in case:
- 12.12.1. in the reasonable opinion of the Collateral Agent, (a) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of the bankruptcy or reorganisation proceedings of the Issuer or the Collateral Provider or for any other reason or (b) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under Section 13.1.1 of these Terms; and/or
 - 12.12.2. in the professional opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason (except if the Collateral is released pursuant to Section 12.1 of these Terms).
- 12.13. In order to exercise its right of termination under Section 12.12 of these Terms, the Collateral Agent shall submit a respective written notice to the Issuer and all Investors. The duties and obligations of the Collateral Agent shall be deemed to have terminated from the moment when a new Collateral Agent designated by the Issuer and/or Majority Investors takes over the obligations of the old Collateral Agent, however, latest after three months have passed from the receipt of the relevant notice by the Issuer. For the avoidance of doubt, under the laws governing the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent may have an obligation to perform certain actions to release (discharge) the Collateral as a result of the termination under Section 12.12.

13. APPLICATION OF THE PROCEEDS FROM ENFORCEMENT OF THE COLLATERAL

- 13.1. The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
- 13.1.1. as a first priority - to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees and valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent) related to performance of its duties by, or otherwise payable to, the Collateral Agent under these Terms, including the Collateral Agent Agreement and the Collateral Agreement, including but not limited to the establishment, amendment, termination and enforcement of the Collateral incurred by the Collateral Agent or any of the third parties engaged by the

Collateral Agent, provided that the fees, costs and expenses have occurred on reasonable market price.;

- 13.1.2. as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in Section 13.1.1 of these Terms) - in payment of the claims of the Investors arising under these Terms of which the Issuer has informed the Collateral Agent in writing, including but not limited to the claims arising from the Notes.
- 13.2. The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Section 13.1.1 of these Terms and thereafter transfer the remaining proceeds to the Investors for satisfying the claims under Section 13.1.2 of these Terms. The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Section 13.1 of these Terms to the relevant Collateral Provider.
- 13.3. In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under Section 13.1.1 of these Terms do not cover the claims under Section 13.1.2 of these Terms in full, the claims arising from the Notes shall be satisfied pro rata.
- 13.4. The Collateral Agent is not obliged to pay to the Investors or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- 13.5. In case the Collateral Agent is required, under 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.

14. REDEMPTION AND EARLY REDEMPTION (CALL OPTION)

- 14.1. On the Maturity Date or, if applicable, on the Early Redemption Date the Notes shall be redeemed, i.e. the Redemption Price shall be paid to the Investors.
- 14.2. The Redemption Price to be paid to the Investor on the Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Maturity Date in accordance with Section 10 of these Terms and any other monies still owed to the Investor at the Maturity Date under these Terms.
- 14.3. The Issuer has the right to redeem all or partially the Notes (i.e. to redeem all or part of the outstanding Nominal Value of the Notes) on the Early Redemption Date. The Issuer shall notify the Investors in accordance with the Final Terms by post or e-mail of such wish before the Early Redemption Date by stating also the amount or extent of the redemption.

- 14.4. The Redemption Price to be paid to the Investor on the Early Redemption Date equals the portion of the Nominal Value as indicated in the notification sent to the Investors in accordance with the previous Section 14.3 of these Terms together with the unpaid interest accrued up to the relevant Early Redemption Date in accordance with Section 10 of these Terms.
- 14.5. The Redemption Price shall be paid to the Investors, who are the owners of the Notes according to the Register's information as at the end of the business day of the settlement system of the Register, 4 Banking Days before the Maturity Date or Early Redemption Date, as applicable.
- 14.6. Following the receipt of the complete Redemption Price payments in the Investors' current accounts the Notes shall be considered redeemed to the relevant extent.
- 14.7. Following the receipt of Redemption Price payments that do not involve repayment of full outstanding principal, the Nominal Value of the Notes shall be reduced in the amount of the repaid principal. The Issuer shall arrange amendment of the Nominal Value of the Notes in the Register. The Investors are obligated to co-operate with the Issuer and do all actions reasonably required for reducing the Nominal Value of the Notes in the Register.
- 14.8. Following the receipt of Redemption Price payments that involves the repayment of full outstanding principal, the Issuer shall arrange deletion of the redeemed Notes from the Register. The Issuer may choose not to delete the Notes from the Register in case of early redemption of the notes in accordance with above Section 14.3 of these Terms. The Investors are obligated to co-operate with the Issuer and do all actions reasonably required for deleting the Notes from the Register.
- 14.9. In relation to previous Sections 14.7 and 14.8 of these Terms the Issuer shall be entitled to take any and all actions necessary (including but not limited to submitting relevant applications to the Registrar) to cause of either registration of reduction of the Nominal Value of the Notes with the Register or deletion of the Notes from Register. Investors acknowledge and confirm that the Issuer will not need any further consent or authorisation from the Investors (including Majority Investors) to carry out any action related to the same.
- 14.10. The Issuer shall withhold income tax, if pursuant to the legal acts effective in Estonia, income tax is to be withheld from the payments related to the Notes.

15. EXTRAORDINARY EARLY REDEMPTION

- 15.1. Subject to the Subordination Agreement, the Investor shall have the right, but not the obligation, to demand immediate redemption of the Notes held by the Investor upon occurrence of any of the following circumstances (i.e. Extraordinary Early Redemption Event):

- 15.1.1. the Issuer has not paid the interest payments in full amount for more than 5 Banking Days from the relevant Interest Payment Date;
 - 15.1.2. provided that the Issuer has used its right for early redemption, the Issuer has not paid the payments to be made on the Early Redemption Date in full amount for more than 5 Banking Days from the relevant Early Redemption Date;
 - 15.1.3. an insolvency claim (in Estonian: *pankrotiaavaldus*; in Latvian: *maksātnespējas procesa pieteikums*) has been submitted in respect of the Issuer, the Latvian SPV or the Target and the competent Estonian court has accepted the insolvency claim (in Estonian: *menetlusse võtma*) or the competent Latvian court has decided to initiate the bankruptcy proceedings (in Latvian: *pasludināts maksātnespējas process*);
 - 15.1.4. the Issuer breaches any of the covenants set forth in Section 3.4 of these Terms;
 - 15.1.5. the Issuer, the Latvian SPV or the Target has filed for liquidation with the appropriate state authorities of Estonia or Latvia, as applicable;
 - 15.1.6. the Collateral Provider fails to enter into Collateral Agreement within the term specified in Section 12.1 of these Terms;
 - 15.1.7. the Issuer has not provided its annual or quarterly report to the Investors and the Collateral Agent in accordance with Sections 3.5.1 or 3.5.2 of these Terms and the Issuer has not remedied the breach in 7 Banking Days as of receipt of the breach notice;
 - 15.1.8. the Issuer has not provided documents described in Section 3.5.3 of these Terms in accordance with these Terms and the Issuer has not remedied the breach in 7 Banking Days as of receipt of the breach notice.
- 15.2. The Issuer shall immediately notify the Collateral Agent and the Investors of the occurrence of an Extraordinary Early Redemption Event. In the absence of such notice, the Collateral Agent and the Investors shall be entitled to proceed on the basis that no such Extraordinary Early Redemption Event has occurred or is expected to occur. In case the Issuer has informed only the Collateral Agent, the Collateral Agent shall inform the Investors of occurrence of an Extraordinary Early Redemption Event.
- 15.3. If the Investor receives information about occurrence of a possible Extraordinary Early Redemption Event from other sources than the Issuer, then the Investor is entitled to ask the Issuer by submitting a letter to the Issuer to confirm or reject this information (the Investor shall provide a copy of such letter also to the Collateral Agent). The Issuer shall reply to the Investor in writing within 5 Banking Days from the receipt of the Investor's question. The Issuer shall immediately send the copy of the response together with the

Investor's letter to the Issuer to all Investors and to the Collateral Agent. For the avoidance of doubt, this does not restrict the right of the Investor to submit the Extraordinary Early Redemption Application in accordance with Section 15.4 of these Terms.

- 15.4. If an Investor applies for extraordinary early redemption of the Notes under Section 15.1 of these Terms, such Investor shall submit a respective application to the Issuer (i.e. Extraordinary Early Redemption Application), indicating the grounds for requesting extraordinary early redemption. The Extraordinary Early Redemption Application can be submitted following (a) Issuer's notification about occurrence of the Extraordinary Early Redemption Event or (b) the Investor otherwise becomes aware of the occurrence of the Extraordinary Early Redemption Event. If at the time the claims under these Terms have been subordinated in accordance with Section 7 of these Terms, the Investor becomes entitled to submit the Extraordinary Early Redemption Application when the Bank grants the consent described in Section 7.4.6 of these Terms or when the claims are no longer subordinated in accordance with the Subordination Agreement, whichever takes place earlier.
- 15.5. The Investor shall lose the right to submit an Extraordinary Early Redemption Application in case the Investor has not submitted the Extraordinary Early Redemption Application within 2 months from the date the Investor became entitled to submit such Extraordinary Early Redemption Application under Section 15.4 of these Terms. In case of last sentence of Section 15.4 of these Terms the deadline for notification does not end before 2 months have passed from the granting of the consent described in Section 7.4.6 of these Terms or the notification described in Section 7.7 of these Terms respectively.
- 15.6. The Issuer shall immediately inform other Investors and the Collateral Agent of the Extraordinary Early Redemption Application filed by the Investor. The Issuer is not obligated to inform the Investors of the submission of the Extraordinary Early Redemption Application, if within 30 Banking Days prior to submission of such Extraordinary Early Redemption Application the Investors have been informed of submission of another Extraordinary Early Redemption Application.
- 15.7. Upon submission of the Extraordinary Early Redemption Application, the Issuer shall pay the Redemption Price for the Notes subject to extraordinary early redemption to the relevant Investor within 10 Banking Days after the receipt of the Extraordinary Early Redemption Application. The 10th Banking Day calculated from the day following the day of receipt of the Extraordinary Early Redemption Application shall be the Extraordinary Early Redemption Date with regard to the Notes subject to extraordinary early redemption. The Redemption Price payable to the Investor on the Extraordinary Early Redemption Date shall be determined following the rules set forth in Section 14.2 of these Terms and the payment of the Redemption Price shall be

executed in accordance with the relevant rules set forth in Section 14 of these Terms to the Investor(s) requesting extraordinary early redemption.

- 15.8. If the Investor, who has submitted the Extraordinary Early Redemption Application, transfers, fully or partially, the Notes subject to extraordinary early redemption to another person before the time designated in Section 14.5 of these Terms, the Extraordinary Early Redemption Application shall be considered waived in respect of transferred Notes.
- 15.9. If the Majority Investors in accordance with Section 12.3.2 of the Terms have instructed the Collateral Agent to enforce the Collateral, all Notes shall be subject to extraordinary early redemption and the date of adoption of such decision by the Majority Investors shall be considered the Extraordinary Early Redemption Date with regard to all such Notes that have not yet matured.
- 15.10. Subject to Section 15.5 of these Terms, if the Investor does not use the right or remedy arising from the Notes, this shall not be deemed waiver of such right or remedy, and the separate or partial use of any of the rights or remedies shall not prevent further or repeated use of the respective right or remedy or the use of any other right or remedy. The rights and remedies applicable to the Notes are accruing and do not exclude any other rights or remedies established by law.

16. AMENDING THESE TERMS

- 16.1. These Terms can be amended pursuant to the procedure set forth in this Section.
- 16.2. The Issuer may apply for the consent of the Majority Investors to amend the Terms. To apply for the consent, the Issuer shall submit an application for the consent to the Investors, setting out at least the following information:
 - 16.2.1. a description of the changes applied for;
 - 16.2.2. a reason for the changes applied for;
 - 16.2.3. the term within which the Investor can grant the consent to the Issuer or refuse to grant the consent;
 - 16.2.4. instructions concerning notification about the granting of the consent to the Issuer or refusal to grant the consent;
 - 16.2.5. a statement that the Investor who is willing to grant the consent to the Issuer should notify the Issuer about it within the term specified in the application, and if the Investor does not notify about the approval to grant the consent to the Issuer within the term specified in the application, the Investor shall be deemed as not having granted the consent;
 - 16.2.6. contact details of the Issuer to be used for notification.

- 16.3. The term allowed for Investor to decide upon refusal to grant the consent to the Issuer may not be shorter than 14 Banking Days. Investor shall submit signed applications with their decision to the Issuer by a deadline set in an application. An amendment is deemed to be approved if Majority Investors have voted for granting the consent unless the Issuer decides to require higher threshold for approving the consent. If, upon receipt of consent from the Majority Investors, the Terms are amended, the Issuer undertakes within 10 Banking Days from adoption of the decision to offer Investors (other than Related Parties and the Issuer) who did not agree to grant their consent a possibility to redeem the Notes at the Redemption Price.
- 16.4. All amendments and supplements to these Terms shall enter into force as of the moment of signing the amendments by the Issuer, the Collateral Agent and from issuing the waivers by the Majority Investors concerning such amendments and supplements. For the avoidance of doubt, all amendments and supplements to these Terms which affect the Collateral and/or rights and/or obligations of the Collateral Agent shall be subject to the prior written approval of the Collateral Agent, however, such approval shall not be unreasonably withheld by the Collateral Agent.
- 16.5. Sections 16.1- 16.4 of the Terms above shall not apply to any change in the contact details or in the business name of the Issuer, the Collateral Provider and the Collateral Agent. This information may be amended by making a respective notification to the Issuer.
- 16.6. Sections 16.1- 16.4 of the Terms above shall not apply to any changes to the Collateral Agent Agreement, which may be amended with written agreement of the Issuer and the Collateral Agent. The Issuer and the Collateral Agent undertake not to amend the Collateral Agent Agreement without the consent of the Majority Investors, if such amendment would change the scope of rights and obligations of the Collateral Agent arising to it from the Terms.
- 16.7. The Issuer is entitled to amend these Terms accordingly and shall inform the Investors of any changes immediately after any such change has become effective or, in case of Section 16.5, immediately after the Collateral Agent or the Collateral Provider has notified the Issuer thereof.

17. FINAL PROVISIONS

- 17.1. These Terms, the Final Terms, rights and obligations arising from the Notes shall be governed by Estonian law.
- 17.2. The disputes related to these Terms, the Final Terms or the Notes shall be resolved through negotiations. If the parties fail to reach an agreement, the claim for resolving the dispute shall be submitted to Harju County Court (in Estonian: *Harju Maakohus*).

- 17.3. In the event of inconsistency between the provisions of the Final Terms and the provisions of these Terms, the Final Terms shall prevail.
- 17.4. If a provision of these Terms or Final Terms is invalidated or deemed inapplicable by the court, it does not influence or change the validity, legitimacy or applicability of other provisions.
- 17.5. All notices and documents to the Investors under these Terms shall be sent by post or e-mail unless otherwise provided for in these Terms. Notices to the Investors shall be forwarded to their addresses registered together with the securities or other accounts of the Investors, opened in the Register, or by e-mail.
- 17.6. Notices sent by post shall be deemed served upon receipt of a respective confirmation or latest after 5 days have passed from dispatch. Notices sent by e-mail or via the Register shall be deemed served upon receipt of a respective confirmation or latest on the day following the sending of the notice. Notwithstanding, if the notice is sent via e-mail, it is not deemed served, in case the sender is aware that the recipient is not regularly reviewing e-mail (e.g. receives an out of office reply or has been notified accordingly by the recipient).

**ANNEX 1 TO THE TERMS AND CONDITIONS OF THE UPP OLAINES OÜ SUBORDINATED
NOTE ISSUE DATED 31st October 2017**

FINAL TERMS OF THE NOTES

DATED 31ST OCTOBER 2017

1. GENERAL PROVISIONS

- 1.1. These Final Terms of the Notes (**the Final Terms**) constitute the specific terms and conditions of the Notes issued by the Issuer, under the Terms and Conditions of the UPP Olaines OÜ Note Issue Program dated 31st October 2017 (**the Terms**).
- 1.2. The Final Terms constitute an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used, which are defined in the Terms, shall have the same meanings in the Final Terms. In the event of inconsistency between the provisions of Final Terms and provisions of the Terms, the Final Terms shall prevail.
- 1.3. The Issuer is responsible for the adequacy, accuracy and completeness of the information provided for in these Final Terms.
- 1.4. The Notes offered under these Final Terms shall be subject to the terms specified in Section 2 of the Final Terms.

2. TERMS OF NOTES

- | | |
|--|--|
| 1. Issuer: | UPP OLAINES OÜ |
| 2. Securities to be issued: | Subordinated secured notes |
| 3. Purpose of financing | Financing purchase of real estate by a subsidiary (through acquisition of a target company being the owner of the real estate) |
| 4. Offering: | Private placement within the meaning of Article 12(2) of the Securities Markets Act |
| 6. Maximum Aggregate Nominal Value of the Issue: | EUR 6,215,000.00. The Issuer shall have the right, until the |

Issue Date (including), to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.

7. Information on Notes

7.1	Currency of denomination:	EUR
7.2	Nominal Value of a Note:	EUR 1,000.00
7.3	Initial Subscription Period:	1 November 2017 until 8 November 2017
7.4	Additional Subscription Period:	Any period(s) of time determined by the Issuer for the Additional Issue between the first Issue Date and the Final Issue Date
7.5.	Issue Date:	10. November 2017
7.6	Additional Issue Date:	Any Banking Day determined by the Issuer for issuing the Notes after the first Issue Date and on or before the Final Issue Date
7.7	Final Issue Date	30. November 2017
7.8	Issue Price of a Note:	EUR 1,000.00
7.9	Issue Price on the Additional Issue Date	as determined by the Issuer in the form for the Purchase Offer provided to Investors
7.10	Payment Date of the Issue Price	Issue Date
7.11	Payment Date of the Issue Price of the Additional Issue:	as determined by the Issuer in the form for the Purchase Offer provided to Investors

7.12	Interest rate:	7% (30E/360)
7.13	Interest Payment Date(s):	10. February, 10. May, 10. August and 10. November of each year, starting from 10. February (including). If an Interest Payment Date falls on a day that is not a Banking Day, interest shall be paid on the next Banking Day after the Interest Payment Date.
7.14	Maturity Date:	10. November 2022
7.15	Redemption Price of a Note:	The sum of the Nominal Value of the Note and the accrued interest
7.16	Early Redemption Date(s):	Subject to subordination, the Issuer has the right to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail.
7.17	Repayment Date of Principal Value:	Maturity Date or, if applicable, Early Redemption Date
7.18	ISIN:	ISIN EE3300111350
8.	Current account for payment of the Issue Price.:	UPP Olaines OÜ EE 262200221067539034 Swedbank AS SWIFT/BIC: HABAE2X
9.	Collateral:	Before establishment of the mortgage: guarantee After the Acquisition: 3 rd /4 th rank mortgage (higher rank mortgages have been established

- for the benefit of the senior creditor)
10. Collateral Agent: Eversheds Sutherland Bitāns
20a Lāčplēša Street, Riga, LV-1011, Latvia
Tel.: +371 67280102
E-mail: birojs@eversheds-sutherland.lv
Attn: Māris Vainovskis
11. Register: The register of securities maintained by the Registrar
12. Registrar: Nasdaq CSD SE Estonian Branch
13. Governing Law: Estonian
14. Jurisdiction and Dispute Settlement: Estonian courts

The Issuer and the Investors acknowledge that ISIN code has not been granted to the Issue as of date of the Final Terms because the Notes of this Issue have not been registered in the Register as of the date of the Final Terms. The Investors authorise the Issuer to add ISIN code of the Notes of this Issue to Section 7.18 of the Final Terms upon registration of the Notes of this Issue in the Register. No separate or additional signing of the Final Terms or the amendment is needed. After adding ISIN code of the Notes as set forth above in this Section, such addition becomes inseparable and valid addition to the Final Terms.

**ANNEX 1 TO THE TERMS AND CONDITIONS OF THE UPP OLAINES OÜ SUBORDINATED
NOTE ISSUE DATED 31st October 2017**

FINAL TERMS OF THE NOTES

DATED 31ST OCTOBER 2017

1. GENERAL PROVISIONS

- 1.1. These Final Terms of the Notes (**the Final Terms**) constitute the specific terms and conditions of the Notes issued by the Issuer, under the Terms and Conditions of the UPP Olaines OÜ Note Issue Program dated 31st October 2017 (**the Terms**).
- 1.2. The Final Terms constitute an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used, which are defined in the Terms, shall have the same meanings in the Final Terms. In the event of inconsistency between the provisions of Final Terms and provisions of the Terms, the Final Terms shall prevail.
- 1.3. The Issuer is responsible for the adequacy, accuracy and completeness of the information provided for in these Final Terms.
- 1.4. The Notes offered under these Final Terms shall be subject to the terms specified in Section 2 of the Final Terms.

2. TERMS OF NOTES

- | | |
|--|--|
| 1. Issuer: | UPP OLAINES OÜ |
| 2. Securities to be issued: | Subordinated secured notes |
| 3. Purpose of financing | Financing purchase of real estate by a subsidiary (through acquisition of a target company being the owner of the real estate) |
| 4. Offering: | Private placement within the meaning of Article 12(2) of the Securities Markets Act |
| 6. Maximum Aggregate Nominal Value of the Issue: | EUR 6,215,000.00. The Issuer shall have the right, until the Issue Date (including), to |

increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.

7. Information on Notes

7.1	Currency of denomination:	EUR
7.2	Nominal Value of a Note:	EUR 1,000.00
7.3	Initial Subscription Period:	1 November 2017 until 8 November 2017
7.4	Additional Subscription Period:	Any period(s) of time determined by the Issuer for the Additional Issue between the first Issue Date and the Final Issue Date
7.5.	Issue Date:	10. November 2017
7.6	Additional Issue Date:	Any Banking Day determined by the Issuer for issuing the Notes after the first Issue Date and on or before the Final Issue Date
7.7	Final Issue Date	30. November 2017
7.8	Issue Price of a Note:	EUR 1,000.00
7.9	Issue Price on the Additional Issue Date	as determined by the Issuer in the form for the Purchase Offer provided to Investors
7.10	Payment Date of the Issue Price	Issue Date
7.11	Payment Date of the Issue Price of the Additional Issue:	as determined by the Issuer in the form for the Purchase Offer provided to Investors
7.12	Interest rate:	7% (30E/360)

7.13	Interest Payment Date(s):	10. February, 10. May, 10. August and 10. November of each year, starting from 10. February (including). If an Interest Payment Date falls on a day that is not a Banking Day, interest shall be paid on the next Banking Day after the Interest Payment Date.
7.14	Maturity Date:	10. November 2022
7.15	Redemption Price of a Note:	The sum of the Nominal Value of the Note and the accrued interest
7.16	Early Redemption Date(s):	Subject to subordination, the Issuer has the right to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail.
7.17	Repayment Date of Principal Value:	Maturity Date or, if applicable, Early Redemption Date
7.18	ISIN:	EE_____
8.	Current account for payment of the Issue Price.:	UPP Olaines OÜ EE 262200221067539034 Swedbank AS SWIFT/BIC: HABAE2X
9.	Collateral:	Before establishment of the mortgage: guarantee After the Acquisition: 3 rd /4 th rank mortgage (higher rank mortgages have been established for the benefit of the senior creditor)

- | | |
|---|---|
| 10. Collateral Agent: | Eversheds Sutherland Bitāns
20a Lāčplēša Street, Riga, LV-1011,
Latvia
Tel.: +371 67280102
E-mail: birojs@eversheds-
sutherland.lv
Attn: Māris Vainovskis |
| 11. Register: | The register of securities
maintained by the Registrar |
| 12. Registrar: | Nasdaq CSD SE Estonian Branch |
| 13. Governing Law | Estonian |
| 14. Jurisdiction and Dispute Settlement | Estonian courts |

The Issuer and the Investors acknowledge that ISIN code has not been granted to the Issue as of date of the Final Terms because the Notes of this Issue have not been registered in the Register as of the date of the Final Terms. The Investors authorise the Issuer to add ISIN code of the Notes of this Issue to Section 7.18 of the Final Terms upon registration of the Notes of this Issue in the Register. No separate or additional signing of the Final Terms or the amendment is needed. After adding ISIN code of the Notes as set forth above in this Section, such addition becomes inseparable and valid addition to the Final Terms.

ANNEX 1 TO THE FINAL TERMS OF THE NOTES

PURCHASE OFFER OF UPP OLAINES OÜ SUBORDINATED NOTES

The Issue of UPP Olaines OÜ Notes (**the Notes**) shall be made in accordance with and under the Terms and Conditions of the UPP Olaines OÜ Notes Issue dated 31st October 2017 (**the Terms**). This Purchase Offer is an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used in this Purchase Offer, which are defined in the Terms shall have the same meaning in this Purchase Offer.

SUMMARY OF TERMS AND CONDITIONS

Issuer:	UPP Olaines OÜ
Maximum Aggregate Nominal Value of the Issue:	EUR 6,215,000.00 during the whole Issue. The Issuer shall have the right, until the Issue Date (including), to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.
Nominal Value of a Note:	1,000.00
Issue Price of a Note:	EUR 1,000.00
Currency of denomination:	EUR
Interest rate:	7% (30E/360)
Interest Payment Date(s):	10. February, 10. May, 10. August and 10. November of each year, starting from 10. February 2017 (including). If an Interest Payment Date falls on a day that is not a Banking Day, interest shall be paid on the next Banking Day after the Interest Payment Date.
Securities to be issued:	Subordinated secured notes
Subscription Period:	1. November 2017 until 8. November 2017
Payment Date:	Issue Date

Issue Date:	10. November 2017
Maturity Date:	10. November 2022
Early redemption provisions:	Subject to subordination, the Issuer has the right to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail.
Collateral:	Before establishment of the mortgage: guarantee After the Acquisition: 3 rd /4 th rank mortgage (higher rank mortgages have been established for the benefit of the senior creditor)

PLACING PURCHASE OFFER

Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price or the Issue Price on the Additional Issue Date less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.

The Purchase Offer must be submitted by e-mail (info@unitedpartners.ee) to the Issuer at the latest by 12:00 (noon) (Estonian time) on 8. November 2017. The Investor shall retain the original copy of the Purchase Offer. A Purchase Offer shall be considered valid, if submitted during the Subscription Period, if drawn up substantially in the required form and substance, and if the Investor pays the amount indicated on the Confirmation by the established term. The Issuer may, at its sole discretion, treat as valid also Purchase Offers submitted after the Subscription Period, but before the Issue Date.

ALLOCATION OF THE ISSUE

The allocation of the Issue will be done in accordance with the Terms. For the avoidance of doubt, the Issuer has the sole discretion to decide upon the allocation of the Notes to the Investors.

WARRANTIES AND OBLIGATIONS OF THE INVESTOR

To submit a Purchase Offer, the Investor must have a securities account, opened with the securities register that is maintained and operated by Nasdaq CSD SE Estonian Branch (**the Register**) in its own name or in the name of its nominee.

By submitting the Purchase Offer the Investor confirms that it (i) has read and understands the Terms (including the Final Terms and the Purchase Offer); (ii) agrees and commits to adhere to the Terms; (iii) is a sophisticated investor having broad experience and knowledge in the matters related to investments into financial instruments (including the financial instruments similar to the Notes); and (iv) has consulted to the extent necessary with its advisors in legal, tax, finance and other relevant matters. By submitting this Purchase Offer the Investor makes an offer to enter into the Terms and the Purchase Offer. The Investor's offer to enter into the Terms and the Purchase Offer shall be considered accepted by the Issuer subject to provisions of the Confirmation as at the sending of the Confirmation to the Investor.

By submitting the Purchase Offer, each Investor appoints Eversheds Sutherland Bitāns (legal address: 20a Lāčplēša Street, 6th floor, Riga, LV-1011, Latvia; VAT register code 90000816224) (and, if applicable, the person to whom the Collateral Agent may transfer its rights and obligations in accordance with Section 4.7 of the Terms) to act as its agent and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under these Terms and its annexes, including the Collateral Agent Agreement and the Collateral Agreement. In connection with the above, the Investor hereby:

- acknowledges and understands that the Collateral Agent has no obligations other than those expressly set out in the Terms, including in the Collateral Agent Agreement and the Collateral Agreements, and the Investor understands the restricted nature of the obligations of the Collateral Agent;
- acknowledges and understands that the Collateral Agent is under no circumstances guaranteeing the validity or enforceability of the Collateral established or to be established in accordance with the Terms and some of the Collateral Agreements may not be concluded by the time of subscription to the Notes;
- acknowledges and understands that the Collateral Agent is only be liable for the breach of any of its obligations under the Terms, including the Collateral Agent Agreement and the Collateral Agreement, in the event of gross negligence or wilful intent of the Collateral Agent and that the liability of the Collateral Agent is limited to EUR 300,000 save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent;
- confirms that the fact that the Collateral Agent acts under the Collateral Agent Agreement concluded with the Issuer does not constitute any conflict with the interests of the Investor;

- acknowledges and understands that enforcement and establishment of the Collateral in accordance with the Terms shall depend on the co-operation of the Collateral Provider;
- authorises the Collateral Agent to sign the Subordination Agreement on behalf of the Investor(s) and/or approves that the Collateral Agent has signed the Subordination Agreement on behalf of the Investor(s).

By submitting this Purchase Offer, each Investor:

- confirms that he/she understands the extent and nature of subordination of the claims of the Investors under these Terms and has familiarised with the Subordination Agreement;
- unconditionally and irrevocably agrees to subordination of claims as set forth in the Terms and in the Subordination Agreement;
- acknowledges that it has become or will become a party to the Subordination Agreement and undertakes to act in accordance with the Subordination Agreement.

The Investor expresses its wish to acquire, through Primary Distribution, the below stated amount of the Notes, undertaking to pay the Issue Price for the number of the Notes stipulated in the Purchase Offer.

PURCHASE OFFER

Number of Notes subscribed	Aggregate Nominal Value of the Notes subscribed for (EUR)

INVESTOR

Name:	Contact person:
I.D.code/Reg.code:	Address:
Phone:	
Fax:	
E-mail:	
Securities account No:	Owner of the securities account and current account:
Current account No:	

Date:

Name and signature:

**PURCHASE OFFER OF UPP OLAINES OÜ SUBORDINATED NOTES
(ADDITIONAL ISSUE)**

The Issue of UPP Olaines OÜ Notes (**the Notes**) shall be made in accordance with and under the Terms and Conditions of the UPP Olaines OÜ Notes Issue dated 31st October 2017 (**the Terms**). This Purchase Offer is an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used in this Purchase Offer, which are defined in the Terms shall have the same meaning in this Purchase Offer.

SUMMARY OF TERMS AND CONDITIONS

Issuer:	UPP Olaines OÜ
Maximum Aggregate Nominal Value of the Issue:	EUR 6,215,000.00. The Issuer shall have the right, until the Issue Date (including), to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.
Nominal Value of a Note:	1,000.00
Issue Price of a Note on the Additional Issue Date:	EUR [number]
Currency of denomination:	EUR
Interest rate:	7% (30E/360)
Interest Payment Date(s):	10. February, 10. May, 10. August and 10. November of each year, starting from 10. February (including). If an Interest Payment Date falls on a day that is not a Banking Day, interest shall be paid on the next Banking Day after the Interest Payment Date.
Securities to be issued:	Subordinated secured notes
Additional Subscription Period:	[date] until [date (earliest 5th Business Day from the start of the Additional Subscription Period and latest last

	Banking Day before the Payment Date (which may be on or before the Additional Issue Date))]
Payment Date:	[date (latest the Additional Issue Date)]
Additional Issue Date:	[date]
Maturity Date:	10. November 2022
Early redemption provisions:	The Issuer has the right to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail.
Collateral:	Before the establishment of the mortgage: guarantee After the Acquisition: 3 rd /4 th rank mortgage (higher rank mortgages have been established for the benefit of the senior creditor)

PLACING PURCHASE OFFER

Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price or the Issue Price on the Additional Issue Date less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.

The Purchase Offer must be submitted by e-mail ([info@unitedpartners.ee]) to the Issuer at the latest by [12:00 (noon) (it must be ensured that the Issuer can send out the Confirmation latest by 16:30 on the last Banking Day before the Payment Date (which may be on or before the Issue Date))] (Estonian time) on [date (latest the last Banking Day before the Payment Date (which may be on or before the Issue Date))]. The Investor shall retain the original copy of the Purchase Offer. A Purchase Offer shall be considered valid, if submitted during the Subscription Period, if drawn up substantially in the required form and substance, and if the Investor pays the amount indicated on the Confirmation by the established term. The Issuer may, at its sole discretion, treat as valid also Purchase Offers submitted after the Subscription Period, but before the Issue Date.

ALLOCATION OF THE ISSUE

The allocation of the Issue will be done in accordance with the Terms. For the avoidance of doubt, the Issuer has the sole discretion to decide upon the allocation of the Notes to the Investors.

WARRANTIES AND OBLIGATIONS OF THE INVESTOR

To submit a Purchase Offer, the Investor must have a securities account, opened with the securities register that is maintained and operated by Nasdaq CSD SE Estonian Branch(**the Register**) in its own name or in the name of its nominee.

By submitting the Purchase Offer the Investor confirms that it (i) has read and understands the Terms (including the Final Terms and the Purchase Offer); (ii) agrees and commits to adhere to the Terms; (iii) is a sophisticated investor having broad experience and knowledge in the matters related to investments into financial instruments (including the financial instruments similar to the Notes); and (iv) has consulted to the extent necessary with its advisors in legal, tax, finance and other relevant matters. By submitting this Purchase Offer the Investor makes an offer to enter into the Terms and the Purchase Offer. The Investor's offer to enter into the Terms and the Purchase Offer shall be considered accepted by the Issuer subject to provisions of the Confirmation as at the sending of the Confirmation to the Investor.

By submitting the Purchase Offer, each Investor appoints Eversheds Sutherland Bitāns (legal address: 20a Lāčplēša Street, Riga, LV-1011, Latvia; VAT register code 90000816224) (and, if applicable, the person to whom the Collateral Agent may transfer its rights and obligations in accordance with Section 4.7 of the Terms) to act as its agent and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under these Terms and its annexes, including the Collateral Agent Agreement and the Collateral Agreement. In connection with the above, the Investor hereby:

- acknowledges and understands that the Collateral Agent has no obligations other than those expressly set out in the Terms, including the Collateral Agent Agreement and the Collateral Agreement, and the Investor understands the restricted nature of the obligations of the Collateral Agent;
- acknowledges and understands that the Collateral Agent is under no circumstances guaranteeing the validity or enforceability of the collateral established or to be established in accordance with the Terms and some of the Collateral Agreements may not be concluded by the time of subscription to the Notes;
- acknowledges and understands that the Collateral Agent is only be liable for the breach of any of its obligations under the Terms, including the Collateral Agent Agreement and the Collateral Agreement, in the event of gross

negligence or wilful intent of the Collateral Agent and that the liability of the Collateral Agent is limited to EUR 300,000 save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent;

- confirms that the fact that the Collateral Agent acts under the Collateral Agent Agreement concluded with the Issuer does not constitute any conflict with the interests of the Investor;
- acknowledges and understands that enforcement and establishment of the Collateral in accordance with the Terms shall depend on the co-operation of the Collateral Provider;
- authorises the Collateral Agent to sign the Subordination Agreement on behalf of the Investor(s) and/or approves that the Collateral Agent has signed the Subordination Agreement on behalf of the Investor(s).

By submitting this Purchase Offer, each Investor:

- confirms that he/she understands the extent and nature of subordination of the claims of the Investors under these Terms and has familiarised with the Subordination Agreement;
- unconditionally and irrevocably agrees to subordination of claims as set forth in the Terms and in the Subordination Agreement;
- acknowledges that it has become or will become a party to the Subordination Agreement and undertakes to act in accordance with the Subordination Agreement.

The Investor expresses its wish to acquire, through Primary Distribution, the below stated amount of the Notes, undertaking to pay the Issue Price for the number of the Notes stipulated in the Purchase Offer.

PURCHASE OFFER

Number of Notes subscribed	Aggregate Nominal Value of the Notes subscribed for (EUR)

INVESTOR

Name:	Contact person:
I.D.code/Reg.code:	Address:
Phone:	
Fax:	

E-mail:	
Securities account No:	Owner of the securities account and current account:
Current account No:	

Date:

Name and signature:

CONFIRMATION BY UPP OLAINES OÜ¹

DATED [date] 2017

This Confirmation is an inseparable part of the 10. November 2017 Issue of Notes under the Terms of the UPP Olaines OÜ Notes Issue dated 1. November 2017 (**Terms**) and will at all times be interpreted and applied together with the Terms. The terms and definitions used in this Confirmation shall bear the same meaning as the terms and definitions in the Terms (unless clearly indicated otherwise).

We would hereby like to inform you that we [accept / partially accept / reject] your Purchase Offer of the Notes on the following terms and conditions:

Investor:	[name]
Number of Notes subscribed for by the Investor:	[number]
Number of Notes to be sold to Investor:	[number]
Issue Date:	[date]
Issue Price of a Note:	EUR [number]
Sum of the Issue Prices of the Notes to be sold to the Investor (i.e. the amount to be paid by Investor):	EUR [number]

We kindly ask you to transfer the sum to be paid for the Notes (i.e. EUR [number]) to the bank account of the Issuer in [bank] (IBAN: [IBAN]; SWIFT/BIC: [SWIFT/BIC]) latest by **[time (latest 11:00 (11am))]** (Estonian time) on **[date (latest the Issue Date)] 2017** (Payment Date).

Thank you in advance,

UPP Olaines OÜ

[name]

¹ To be submitted to the Investors latest on 16:30 on the last Banking Day before the Payment Date (which may be on or before the Issue Date) in accordance with **Section 8.6** of the Terms.

ANNEX 2 TO THE TERMS AND CONDITIONS OF THE UPP OLAINES OÜ SUBORDINATED NOTE
ISSUE DATED 31ST OCTOBER 2017
(the "Terms").

COLLATERAL AGENT AGREEMENT

DATED 31ST OCTOBER 2017

This collateral agent agreement (the "Collateral Agent Agreement") has been entered into by and between:

- (a) UPP Olaines OÜ, registry code 14318601, address Pärnu mnt 141, Tallinn, 11314, Estonia (the "Issuer"), represented by member of the management board Hallar Loogma; and
- (b) Law Office Eversheds Sutherland Bitāns, VAT registry code 90000816224, address: 20a Lāčplēša Street, Riga, LV-1011, Latvia (the "Collateral Agent"), represented by Managing Partner Agris Bitāns

(hereinafter referred to collectively as the „Parties“ and individually as a „Party“), whereas the Parties have agreed as follows:

1. DEFINITIONS

1.1. Definitions in this Collateral Agent Agreement shall have the same meaning as in the Terms.

2. OBJECT OF THE AGREEMENT

2.1. The Issuer hereby instructs the Collateral Agent to perform the tasks set out in the Terms of the Collateral Agent for the benefit of the Investors and to exercise the rights of the Collateral Agent set out in the Terms, including in this Collateral Agent Agreement and in the Collateral Agreement. In consideration for the above the Issuer undertakes to pay the Collateral Agent the fees as set out in this Collateral Agent Agreement.

2.2. Instructions which are hereby given by the Issuer to the Collateral Agent are irrevocable. The Issuer shall have no right to unilaterally amend, revoke or withdraw any such instructions on any grounds, including by way of termination of this Collateral Agent Agreement or otherwise, unless this Collateral Agent Agreement explicitly provides otherwise.

3. FUNCTIONS AND OBLIGATIONS OF THE COLLATERAL AGENT

3.1. The scope of functions and obligations of the Collateral Agent are limited to those expressly specified in the Terms, including in the Collateral Agreement.

3.2. The Collateral Agent is not a party to the legal relationship to be established between the Issuer and the Investors and is under no circumstances liable for the performance of the obligations of the Issuer towards the Investors.

3.3. Upon the performance of its obligations and exercising its rights the Collateral Agent shall act in accordance with the Terms at its own discretion in the interests and on the account of the Investors without having any independent interests of its own (for the avoidance of doubt, except for the right of the Collateral Agent to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent as specified in Section 13.1.1 of the Terms) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with the Terms the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Investors upon failure to obtain instructions from the Majority Investors, however the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Investors described in Section 12.3.2 of the Terms.

3.4. The Issuer hereby confirms that the performance of the aforementioned actions in the aforementioned manner constitutes the essence of the instructions given by the Issuer to the Collateral Agent and therefore, the performance of the aforementioned actions does not and will not constitute a conflict of interest with regard to the Issuer, irrespective of the results of such actions with respect to the Issuer.

3.5. The Collateral Agent shall not be liable for the outcome of the enforcement of the Collateral that are outside the control or sphere of influence of the Collateral Agent.



3.6. The Collateral Agent is only liable for the breach of any of its obligations under the Terms, including the Collateral Agent Agreement and the Collateral Agreement, in the event of gross negligence or wilful intent of the Collateral Agent. The liability of the Collateral Agent is limited to EUR 300,000 save in case of wilful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.

3.7. After the Collateral Agent has received a notice described in Section 12.5 of the Terms stating that there has been a violation of the Secured Obligations, and upon relevant request by the Collateral Agent, the Issuer shall render full cooperation and shall issue all documents, information or explanations to the Collateral Agent and will issue relevant documents, information or explanations not later than within 3 Banking Days after receipt of such request.

3.8. The Collateral Agent shall have the right to use the services of third parties and appoint third party representatives in the course of performance of its tasks and acts as stipulated in the Terms.

4. FEES AND OTHER PAYMENTS

4.1. For the performance of the functions of the Collateral Agent, the Issuer shall pay to the Collateral Agent the fees in the following amounts:

4.1.1. Fee for drafting or amending relevant documentation in order to acquire the position of the Collateral Agent – based on hour rates (135 EUR per hour) with a fee cap of 2,500 EUR. The corresponding invoice shall be issued within 2 (two) weeks after the signing of the Collateral Agent Agreement.

4.1.2. Monthly fee of 275 EUR to be paid by the Issuer before the receipt of the notice described in Section 12.3.2 of the Terms. The invoices shall be sent yearly in advance for five years and thereafter, if relevant, quarterly in advance. The Collateral Agent shall send an invoice in respect of the monthly fee for the first 12 months in advance within two weeks after signing of the Collateral Agent Agreement. The following invoices shall be sent yearly or quarterly in advance, as applicable.

4.1.3. Monthly fee of 1,750 EUR to be paid by the Issuer after the receipt of the notice described in Section 12.3.2 of the Terms. The fees shall be invoiced monthly in advance.

4.1.4. The fees provided for in Sections 4.1.1– 4.1.3 do not include representation of the Collateral Agent in disputes connected to its obligations (possible litigation relating to enforcement of the Collateral, disputes with the Investors or other third parties). In the latter case, an hourly fee of 135 EUR shall be applied.

4.2. In addition to fees set out in Section 4.1 of this Collateral Agent Agreement, the Collateral Agent is entitled to compensation of costs in accordance with Section 4.11 of the Terms.

4.3. VAT shall be added to all fees and payments set out in the Agreement if applicable as provided by law.

5. COVENANTS OF THE ISSUER

5.1. The Issuer shall immediately inform the Collateral Agent of breach of any of the Secured Obligations and of the occurrence of an Extraordinary Early Redemption Event.

6. TERMINATION

6.1. The Collateral Agent has the right to terminate this Collateral Agent Agreement in case (a) the Collateral described in Section 2.1.7.1 of the Terms has not been established within the relevant term stipulated in Section 12.1 of the Terms and/or (b) the Collateral Agent withdraws from performance of the tasks set out in the Terms on grounds set out in the Terms. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of this Collateral Agent Agreement.

6.2. The Issuer has the right to terminate this Collateral Agent Agreement in case the Issuer decides not to proceed with the Issue.

7. AMENDMENTS

7.1. This Collateral Agent Agreement may be changed, amended or modified only by the written agreement of the Parties. The Parties undertake not to amend the Collateral Agent Agreement without the consent of the Majority Investors, if such amendment would change the scope of rights and obligations of the Collateral Agent arising to it from the Terms.

7.2. Each Party may amend or change its address or other contacts provided in Section 8.1 by making a respective written notice to another Party.

8. NOTICES

8.1. Notices and documents sent to the other Party shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth below and provided that those include reference to the Notes.

8.2. All notices are deemed received in accordance with Section 17.5 of the Terms.

8.3. The addresses and contacts of the Parties are as follows:

Issuer: **UPP Olaines OÜ**
Address: Pärnu mnt 141, Tallinn, 11314, Estonia
Phone: +372 6616 450
E-mail: info@unitedpartners.ee
Attn: Hallar Loogma/Kevin Soon

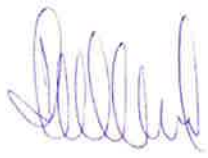

Collateral Agent: **Law Office Eversheds Sutherland Bitāns**
Address: 20a Lāčplēša Street, 6th floor, Riga, LV-1011, Latvia
Phone: +371 6728 0102
E-mail: birojs@eversheds-sutherland.lv
Attn: Māris Vainovskis

9. FINAL PROVISIONS

9.1. Should any of the provisions contained in this Collateral Agent Agreement prove to be inconsistent with law or invalid the Parties shall make their best efforts to replace such invalid provision with a valid one closest in the meaning to the original provision.

9.2. This Collateral Agent Agreement shall be governed by the laws of Estonia. Any disputes arising from this Agreement shall be settled in Harju County Court (in Estonian: *Harju Maakohus*).



<p>Issuer:</p>  <hr/> <p>Hallar Loogma CEO</p>	<p>Collateral Agent:</p>  <hr/> <p>Agris Bitāns Managing Partner</p>
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HIPOTĒKAS LĪGUMS MORTGAGE AGREEMENT

Rīgā, 2018.gada 11.janvārī

Riga, 11 January 2018

Advokātu birojs "Eversheds Sutherland Bitāns", PVN reģistrācijas Nr. 90000816224, juridiskā adrese: Lāčplēša iela 20a, 6.stāvs, Rīga, LV-1011, Latvija ("Kīlas Nēmējs"), un

Sabiedrība ar ierobežotu atbildību "Olaines Logistics Parks", reģistrācijas Nr.40003881015, juridiskā adrese: "Šarlotes", Grēnes, Olaines pagasts, Olaines novads, LV-2127, Latvija ("Iekļātājs"),

turpmāk Iekļātājs un Kīlas Nēmējs kopā saukti - „Līdzēji”, noslēdz šāda satura hipotēkas līgumu ("Hipotēkas Līgums"), kur termiņiem un jēdzieniem, kas lietoti šajā Hipotēkas Līgumā, ir sekojoša nozīme:

Parādzīme – līgums, kas 2018. gada 11.janvārī noslēgts starp UPP Olaines OŪ, reģistrācijas Nr.14318601, juridiskā adrese: Pārnu mnt 141, Tallinn, 11314, Igaunijas Republika ("Parādnieks") un Kīlas Nēmēju, kurā Parādnieks apliecina, ka ir parādā un Parādniekam ir pienākums veikt Kīlas Nēmējam Parādzīmē noteiktā parāda un procentu samaksu.

Nekustamais Īpašums - Iekļātājam piederošais nekustamais īpašums, kas atrodas: "Šarlotes", Grēnes, Olaines pagasts, Olaines novads, LV-2127, Latvijas Republika, kadastra Nr. 80800030029, reģistrēts Rīgas rajona tiesas Olaines pilsētas zemesgrāmatas nodalījumā Nr. 5439, ar visiem tā piederumiem un pieaugumiem, ieskaitot visas ēkas un būves, kas uzbūvētas vai tiks uzbūvētas.

Hipotēkas Summa – EUR 8,079,500 (astoņi miljoni septiņdesmit deviņi tūkstoši pieci simti euro), kas ir galvenā prasījuma un iespējamo blakus prasījumu kopsumma. Hipotēkas Summu veido no Parādzīmes izrietošais galvenais prasījums 6,215,000 EUR (seši miljoni divi simti piecpadsmit tūkstoši euro) apmērā un ar to saistītie iespējamie blakus prasījumi EUR 1,864,500 (viens miljons astoņi simti sešdesmit četri tūkstoši pieci simti euro) apmērā.

1. LĪGUMA PRIEKŠMETS

1.1. Iekļātājs Iekļā Kīlas Nēmējam Nekustamo Īpašumu kā nodrošinājumu visiem maksājumiem, kas Parādniekam jāmaksā Kīlas Nēmējam

Law Office "Eversheds Sutherland Bitāns", VAT registration number 90000816224, legal address: 20a Lāčplēša Street 6th Floor, Riga, LV 1011, Latvia, (the "Mortgagee"), and

Limited Liability Company "Olaines Logistics Parks", registration No 40003881015, legal address: "Šarlotes", Grēnes, Olaine county, Olaine parish, LV-2127, Latvia (the "Mortgagor"),

hereinafter the Mortgagor and the Mortgagee together referred to as the „Parties”, have concluded this mortgage agreement (the "Mortgage Agreement") where the terms and expressions in the Mortgage Agreement shall have the following meanings:

Promissory Note – an agreement signed between UPP Olaines OŪ, registration No.14318601, legal address: Pārnu mnt 141, Tallinn, 11314, Republic of Estonia (the "Debtor") and Mortgagee on 11 January 2018 where the Debtor assures that he owes and is obliged to pay to the Mortgagee the debt and the interest defined by the Promissory Note.

Real Estate - the real estate "Šarlotes", Grēnes, Olaines district, Olaines Parish, LV-2127, Republic of Latvia, cadaster No 80800030029, registered in Land Register (folio) No 5439 of the of the city of Olaine parish of Riga district court parish, owned by the Mortgagor with all its accessories and additions, including all buildings and premises, what is or will be built,

Mortgage Amount – EUR 8,079,500 (eight million, seventy-nine thousand, five hundred euros), which is the total amount of the main claim and possible auxiliary claims. The Mortgage Amount consists of the principal claim in the amount of EUR 6,215,000 (six million, two hundred and fifteen thousand euros) arising from the Promissory Note and also its associated possible ancillary claims in the amount of EUR 1,864,500 (one million, eight hundred sixty-four thousand, five hundred euros).

1. SUBJECT OF THE AGREEMENT

1.1. The Mortgagor pledges the Real Estate with the Mortgagee as security of all payments to be made by the Debtor to the Mortgagee under the

saskaņā ar Parādzīmi. Kīlas Nēmējs pieņem Nekustamo Īpašumu kā sava prasījuma pret Parādnieku nodrošinājumu saskaņā ar šī Hipotēkas Līguma noteikumiem.

1.2. Ar šo Hipotēkas Līgumu leķilātājs nodibina hipotēku uz Nekustamo Īpašumu par Hipotēkas Summu, kas ir Kīlas Nēmēja prasījumu nodrošinājums pret Parādnieku.

1.3. Šajā Hipotēkas Līgumā noteiktās saistības stājas spēkā ar Līdzēju pilnvarotu pārstāvju šī Hipotēkas Līguma parakstīšanu.

1.4. Kīlas tiesība paliek spēkā tik ilgi, kamēr ir izpildītas visas Parādnieka saistības pret Kīlas Nēmēju saskaņā ar Parādzīmi.

1.5. leķilātājs, parakstot Hipotēkas Līgumu, apliecina, ka:

1.5.1. viņš ir Nekustamā Īpašuma Īpašnieks, un tam ir pilnas un pienācīgas Īpašuma tiesības uz to;

1.5.2. Uz Hipotēkas Līguma noslēgšanas dienu Nekustamajam Īpašumam ir reģistrēti apgrūtinājumi saskaņā ar Hipotēkas Līgumam pievienoto Nekustamā Īpašuma zemesgrāmatas nodalījuma izdruku. Nepastāv jebkādas citas hipotēkas, apgrūtinājumi vai citi nodrošinājumi kā vien tie, kas norādīti šim Hipotēkas Līgumam pievienotajā Nekustamā Īpašuma zemesgrāmatas nodalījuma izdrukā, kur viena no šīm hipotēkām nostiprināta par labu "Luminor Bank" AS (reģistrācijas nr.40003024725) ("Luminor Bank"), kas reģistrēta saskaņā ar 24.11.2017. Hipotēkas līgumu Nr. 2017-102-A, kā arī vēl viena hipotēka, kura tiks reģistrēta par labu Luminor Bank saskaņā ar Procentu Likmju Mijmaiņas līgumu. Abām minētajām hipotēkām būs prioritāte (augstāka kārtā) salīdzinājumā ar hipotēku, kura tiks nodibināta saskaņā ar šo Hipotēkas Līgumu.

1.6. Kīlas Nēmēja kīlas tiesības uz Nekustamajiem Īpašumiem leķilātājam jānostiprina zemesgrāmatā, cik ātri tas vien praktiski iespējams.

2. IEKĪLĀTĀJA TIESĪBAS UN PIENĀKUMI

2.1. leķilātājs apņemas:

2.1.1. neveikt darbības un neatļaut trešajām personām veikt darbības, kas varētu samazināt Nekustamā Īpašuma vērtību vai novest pie Nekustamā Īpašuma apgrūtināšanas, sadalīšanas vai atsavināšanas, dāvināšanas, apgrūtināšanas ar lietu tiesībām, ja vien tam nav saņemta rakstiska Kīlas Nēmēja piekrišana;

Prommisory Note. The Mortgagee accepts the Real Estate as security of its claims against the Debtor under the conditions set forth in this Mortgage Agreement.

1.2. By this Mortgage Agreement the Mortgagor establishes mortgage on the Real Estate in the amount of the Mortgage Amount that serves as security for Mortgagee's claims against the Debtor.

1.3. Liabilities under the present Mortgage Agreement shall come into force from the moment of signing of the Mortgage Agreement by authorised representatives of the Parties.

1.4. The pledge right shall remain in effect until all Debtor's obligations against the Mortgagee under the Prommisory Note are completely fulfilled.

1.5. By signing the Mortgage Agreement, the Mortgagor certifies that:

1.5.1. the same owns the Real Estate, and has full and proper title thereto;

1.5.2. On the day of signing the Mortgage Agreement the encumbrances according to the extract from the Real Estate Land Register division attached to the Mortgage Agreement, are registered on the Real Estate. There does not exist any other mortgages, encumbrances or any liens other than mentioned in the attached extract from the Real Estate Land Register division, whereby one of the mortgages is in favor of "Luminor Bank" AS, registration No.40003024725 ("Luminor Bank"), registered in accordance with the Loan agreement No. 2017-102-A of 24th of November 2017, and another mortgage to be registered in favor of Luminor Bank in accordance with the Interest Rate Swap Agreement. Both of the above referred mortgages will have a priority in comparison with the mortgage to be established according to this Mortgage Agreement.

1.6. The Mortgagor shall register the Mortgagee's pledge rights on the Real Estates with the Land Book as soon as practicable.

2. RIGHTS AND OBLIGATIONS OF MORTGAGOR

2.1. The Mortgagor undertakes:

2.1.1. not to perform activities and not to allow third persons to perform activities that might reduce the value of the Real Estate or result in encumbrance, division or alienation, granting as a gift, encumbrance with the property law of the Real Estates, unless a written consent of the Mortgagee is received;

2.1.2. atļaut Kīlas Nēmēja pārstāvjiem brīvi piekļūt pie Nekustamā Īpašuma, lai pārbaudītu Nekustamā Īpašuma stāvokli un esamību, par ko Kīlas Nēmējs ir brīdinājis leģitīmatāju vismaz 1 (vienu) dienu iepriekš;

2.1.3. savlaicīgi maksāt visus gan pastāvošos, gan nākotnē iespējamus nodokļus, nodevas un citus maksājumus par Nekustamo Īpašumu;

2.1.4. segt visus izdevumus, kas saistīti ar Hipotēkas Līguma izpildi, reģistrēšanu un Hipotēkas dzēšanu;

2.1.5. nekavējoties informēt Kīlas Nēmēju par Nekustamā Īpašuma būtiskiem bojājumiem;

2.1.6. informēt Kīlas Nēmēju par jebkuru trešo personu spēkā esošām tiesībām attiecībā uz Nekustamo Īpašumu, kas rodas Hipotēkas Līguma spēkā esamības laikā;

2.1.7. veikt Nekustamā Īpašuma sastāvā ietilpstošo ēku apdrošināšanu Kīlas Nēmējam pieņemamā apdrošināšanas sabiedrībā pret tādiem riskiem, pret kādiem apdrošināšanas tirgū Latvijas Republikā tiek apdrošināti nekustamie īpašumi. Apdrošināšana ir jāuztur spēkā līdz dienai (to ieskaitot), kad Parādnieks ir izpildījis visas saistības pret Kīlas Nēmēju, kuras tas uzņēmis ar Parādzīmi. Leģitīmatājam ir pienākums iesniegt Kīlas Nēmējam apdrošināšanas polises kopiju (uzrādot oriģinālu), kā arī apdrošināšanas prēmijas samaksu apliecinājošu dokumentu.

2.1.8. saglabāt sev pilnas un ekskluzīvas Īpašumtiesības uz Nekustamo Īpašumu;

2.1.9. piekrist un parakstīt tādus Hipotēkas Līguma grozījumus vai citus dokumentus vai veikt kādas citas darbības, kādas laika gaitā varētu pieprasīt Kīlas Nēmējs, pamatojoties uz izmaiņām Latvijas Republikas normatīvajos aktos, lai nodrošinātu un saglabātu Kīlas Nēmēja tiesības uz Nekustamo Īpašumu.

2.1.10. kā gādīgs saimnieks rūpēties par Nekustamo Īpašumu.

2.1.11. Ja leģitīmatājs savlaicīgi neveic maksājumus, kuri tam jāveic saskaņā ar Hipotēkas Līgumā noteiktajiem pienākumiem, Kīlas Nēmējam ir tiesības izdarīt jebkuru tādu maksājumu leģitīmatāja vietā. Leģitīmatājam ir pienākums atlīdzināt Kīlas Nēmējam visus šādus izdevumus, kurus Kīlas Nēmējs veicis leģitīmatāja vietā.

2.1.2. to allow representatives of the Mortgagee to have access to the Real Estate with prior notice of 1 (one) day, in order to examine condition and availability of the Real Estate;

2.1.3. to pay all current and subsequent possible taxes, duties and other payments for the Real Estate in a timely manner;

2.1.4. to cover all expenses related to implementation, registration of the Mortgage Agreement and cancellation of the mortgage;

2.1.5. to immediately notify the Mortgagee on material damages to the Real Estate;

2.1.6. to notify the Mortgagee on effective rights of any third persons concerning the Real Estate arising during the validity of the Mortgage Agreement;

2.1.7. to manage the insurance with an insurance company acceptable to the Mortgagee of the buildings located on the Real Estate against the risks commonly used in the insurance market in the Republic of Latvia for the real estates. The insurance shall be kept valid until the day (inclusive) when the Debtor has fulfilled all its liabilities under the Promissory Note. The Mortgagor is obliged to submit with the Mortgagee the copy (by presenting an original) of insurance policy as well as a document certifying that the insurance premium has been paid.

2.1.8. to maintain sole and exclusive title to the Real Estate;

2.1.9. to agree to and to sign amendments to the Mortgage Agreement or other documents, or to make other activities that the Mortgagee might request in the course of time due to amendments in legislation of the Republic of Latvia, as required to assure and preserve rights of the Mortgagee concerning the Real Estate.

2.1.10. to take care of the Real Estate as a proper owner;

2.1.11. Unless the Mortgagor makes payments to be made thereby under its obligations stated in the Mortgage Agreement in a timely manner, the Mortgagee shall be entitled to make any such payment instead of the Mortgagor. The Mortgagor shall be obliged to reimburse the Mortgagee for all such expenses sustained by the Mortgagee instead of the Mortgagor.

3. KĪLAS NĒMĒJA TIESĪBAS UN PIENĀKUMI

3.1. Kīlas Nēmējs apņemas:

3.1.1. pēc tam, kad Parādnieks ir izpildījis visas saistības pret Kīlas Nēmēju saskaņā ar Parādzīmi un pēc leģitīmatāja pieprasījuma saņemšanas, izsniegt leģitīmatājam visus dokumentus, kas nepieciešami par labu Kīlas Nēmējam saskaņā ar

3. RIGHTS AND OBLIGATIONS OF MORTGAGEE

3.1. The Mortgagee undertakes:

3.1.1. after the Debtor has fulfilled all obligations toward the Mortgagee according to the Promissory Note and after Mortgagor's request, to issue to the Mortgagor all necessary documents for cancellation of the mortgage of the Real Estate

regulēšanā.

4.8. Līdzēji vienojas, ka ķīlas tiesības izlietošanas (Nekustamā Īpašuma pārdošana) priekšnoteikums ir atbilstoši 2017.gada 24.novembra Subordinācijas līguma noteikumiem no Luminor Bank saņemta rakstveida piekrišana.

4.9. Ķīlas Ņēmējs apliecina, ka ir informēts un piekrīt tam, ka leģilātājs ir uzsācis Nekustamā Īpašuma sadalīšanas procesu, kura rezultātā no Nekustamā Īpašuma tiks atdalīts un pārdots par labu SIA "Olaive capital", reģistrācijas Nr.50203084061, zemes gabals ar aptuveno platību 9,34ha, uz kura neatrodas būves (turpmāk – Zemes gabals), saskaņā ar Īpašuma sadales projektu, kas pievienots šī Hipotēkas Līguma pielikumā Nr.2. Ķīlas Ņēmējs apliecina, ka, pamatojoties uz leģilātāja rakstveida pieprasījuma pamata, atbrīvos Zemes gabalu no hipotēkas, kas nostiprināta par labu Ķīlas Ņēmējam, cik praktiski tas būs iespējams pēc pilnīgas Nekustamā Īpašuma sadales pabeigšanas. Šaubu novēršanai 2.1.1. un 2.1.8.punkta nosacījumi nav attiecināmi uz Nekustamā Īpašuma sadalīšanu (t.i., uz Zemes gabalu), kā tas noteikts šajā punktā.

Hipotēkas Līguma pielikumi:

Pielikums Nr.1 - Nekustamā Īpašuma zemesgrāmatas nodalījuma izdrukā;

Pielikums Nr.2 - Zemes gabala sadales plāns.

leģilātāja vārdā:

For and on behalf of the Mortgagor:

Hallar Loogma
Member of Board

relations between the Parties.

4.8. The Parties agree that a prior written consent of Luminor Bank received in accordance with the Subordination Agreement of 24th of November 2017 is a condition for exercising of the pledge right (sale of the Real Estate).

4.9. The Mortgagee confirms, that he is informed and agrees, that the Mortgagor has started the process of division of the Real Estate, whereby the land plot with approximate area of 9,34ha, which is free of the buildings (the "Land Plot") shall be separated from the Real Estate, according to the plan of the land plot division attached as Annex No 2 to the Mortgage Agreement and sold to SIA "Olaive capital", registration number 50203084061. The Mortgagee guarantees that the Land Plot will be released from the mortgage, registered in favor of the Mortgagee, as soon as the aforementioned division is completed, upon written request of the Mortgagor. For the avoidance of any doubts Clause 2.1.1 and 2.1.8. shall not apply to the division indicated in this Clause above (i.e., to the Land Plot).

Annexes to the Mortgage Agreement:

Annex No 1 - The extract (printout) from the Real Estate Land Register division;

Annex No 2 – Plan of the Land Plot Division.

Ķīlas Ņēmēja vārdā:

For and on behalf of the Mortgagee:

Agris Bitāns
Vadošais Partneris/
Managing Partner

Nodalījuma noraksts

Rīgas rajona tiesas Zemesgrāmatu nodaļa

Olaines pagasta zemesgrāmatas nodalījums Nr. 5439

Kadastra numurs: 80800030029

Nosaukums: Šarlotes

"Šarlotes", Olaines pag., Olaines nov.

I daļas 1.iedaļa Nekustams īpašums, servitūti un reālnastas, pievienotie zemes gabali	Domājamā daļa	Platība, lielums
1.1. Zemes gabals ar kadastra numuru 8080- 003- 0029. <i>Grozīts</i> <i>Saistīts ar ierakstu: I daļas 1.iedaļa 3.1 (300001199226)</i>		17.5 ha
2.1. Izpildot kadastrālo uzmērīšanu, zemes īpašuma kopplatība var tikt precizēta. <i>Žurn. Nr. 6456, lēmums 11.04.2001., tiesnese Skaidrīte Temļakova</i> <i>Aizstāts</i> <i>Saistīts ar ierakstu: I daļas 1.iedaļa 3.2 (300001199226)</i>		17.72 ha
3.1. Grozīt ierakstu Nr. 1.1 (žurnāla Nr. 6456, 2001)- mainīt zemes gabala platību no 17,5 ha uz 17,72 ha. Pamats: Valsts zemes dienesta Lielrīgas reģionālās nodaļas izgatavots zemes robežu plāns.		
3.2. Ierakstu Nr. 2.1 (žurnāla Nr. 6456, 2001) aizstāt ar sekojošu ierakstu: Zemes kopplatība pēc kadastrālās uzmērīšanas. <i>Žurn. Nr. 300001199226, lēmums 22.09.2005., tiesnese Māra Balode</i>		
4.1. Pievienota saldētava (kadastra apzīmējums 8080 003 0029 001).		
4.2. Pievienota noliktava (kadastra apzīmējums 8080 003 0029 002). <i>Žurn. Nr. 300002483266, lēmums 14.07.2008., tiesnesis Helmutis Naglis</i> <i>Grozīts</i> <i>Saistīts ar ierakstu: I daļas 1.iedaļa 5.1 (300002681708)</i>		
5.1. Grozīt ierakstu Nr. 4.2 (žurnāla Nr. 300002483266, 07.07.2008) un vārdus: "Pievienota noliktava" aizstāt ar vārdiem "Noliktavas - ražošanas - biroja ēka". Pamats: 2009.gada 30. aprīļa Akts par noliktavas - ražošanas - biroja ēkas pieņemšanu ekspluatācijā. <i>Žurn. Nr. 300002681708, lēmums 29.05.2009., tiesnesis Helmutis Naglis</i>		
II daļas 1.iedaļa Nekustama īpašuma īpašnieks, īpašumtiesību pamats	Domājamā daļa	Summa
1.1. Īpašnieks: ELMĀRS ZĪLE, personas kods 150640-11828, dzim. 15.06.1940.	1	
2.1. Pamats: 1997. gada 19. novembra Olaines pagasta zemes komisijas lēmums Nr.166&8 <i>Žurn. Nr. 6456, lēmums 11.04.2001., tiesnese Skaidrīte Temļakova</i>		
3.1. Atzīme: Starp ELMĀRU ZĪLI, personas kods 150640-11828, un sabiedrību ar ierobežotu atbildību "LIDL LATVIJA", nodokļu maksātāja kods 40003612952, ir noslēgts pirkuma līgums. Pamats: 2003. gada 20. novembra pirkuma līgums. <i>Žurn. Nr. 300000619194, lēmums 27.11.2003., tiesnese Oļta Blūmfelde</i> <i>Aizstāts</i> <i>Saistīts ar ierakstu: II daļas 1.iedaļa 4.1 (300000626047)</i>		
4.1. Atzīmi Nr. 3.1 (žurnāla Nr. 300000619194, 24.11.2003) aizstāt ar ierakstu: Persona: ELMĀRS ZĪLE, personas kods 150640-11828. Īpašuma tiesība izbeigusies.	0	
4.2. Īpašnieks: SABIEDRĪBA AR IEROBEŽOTU ATBILDĪBU "LIDL LATVIJA", nodokļu maksātāja kods	1	

II daļas 1.iedaļa Nekustama īpašuma īpašnieks, Īpašumtiesību pamats	Domājamā daļa	Summa
40003612952.		
4.3. Pamats: 2003. gada 20. novembra pirkuma līgums. <i>Žurn. Nr. 30000626047, lēmums 18.12.2003., tiesnese Skaidrīte Temļakova</i>		56000.00 LVL
5.1. Persona: Sabiedrība ar ierobežotu atbildību "LIDL LATVIJA", nodokļu maksātāja kods 40003612952. Īpašuma tiesība izbeigusies.	0	
5.2. Īpašnieks: Olaines Logistics Parks, sabiedrība ar ierobežotu atbildību, nodokļu maksātāja kods 40003881015.	1	
5.3. Pamats: 2006. gada 21. decembra zemesgabala pirkuma līgums. <i>Žurn. Nr. 300001921709, lēmums 07.03.2007., tiesnese Māra Balode</i>		1494442.43 LVL
6.1. Pamats ēku pievienošanai: 2008.gada 30. jūnija akts par noliktavu - ražošanas biroju ēku jaunbūves pieņemšanu ekspluatācijā. <i>Žurn. Nr. 300002483266, lēmums 14.07.2008., tiesnesis Helmutis Naglis</i>		

II daļas 2.iedaļa Atzīmes un aizliegumi, pēcmantinieku iecelšana, mantojuma līgumi, šo ierakstu pārgrozījumi un dzēsumi		
1.1. Atzīme - noteikts aizliegums bez Nordea Bank Finland Plc, nodokļu maksātāja kods 40003486767, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt vai apgrūtināt ar jebkādam citām lietu tiesībām, kā arī veikt uz zemes gabala būvniecību, tajā skaitā būvniecību uz zemes nomas līguma pamata. Pamats: 2008.gada 27. februāra pielikums C 2008.gada 27. februāra aizdevuma (kredīta) līgumam Nr.2007/248/A hipotēkas līgums. <i>Žurn. Nr. 300002392850, lēmums 07.03.2008., tiesnesis Helmutis Naglis</i> Dzēsts Saistīts ar ierakstiem: II daļas 2.iedaļa 6.1 (300003785586), 8.1 (300004175267), 9.1 (300004366832), 11.1 (300004506584)		
2.1. Atzīme - noteikts aizliegums bez NORDEA BANK FINLAND PLC, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt un apgrūtināt ar lietu tiesībām. Pamats: 2010.gada 22. jūlija hipotēkas līgums. <i>Žurn. Nr. 300002884511, lēmums 23.08.2010., tiesnese Skaidrīte Temļakova</i> Dzēsts Saistīts ar ierakstiem: II daļas 2.iedaļa 6.4 (300003785586), 8.2 (300004175267)		
3.1. Atzīme - noteikts aizliegums bez NORDEA BANK FINLAND PLC, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt un apgrūtināt ar lietu tiesībām. Pamats: 2010.gada 22. jūlija hipotēkas līgums. <i>Žurn. Nr. 300002884523, lēmums 23.08.2010., tiesnese Skaidrīte Temļakova</i> Dzēsts Saistīts ar ierakstu: II daļas 2.iedaļa 4.1 (300003095751)		
4.1. Līdz ar Nordea Bank Finland Plc labā nostiprinātās kārtējās hipotēkas dzēšanu, atzīmi iedaļā ar Nr. 3.1 (žurnāla Nr. 300002884523, 26.07.2010) dzēst. <i>Žurn. Nr. 300003095751, lēmums 29.09.2011., tiesnese Sarmīte Stūrmane</i>		
5.1. Atzīme - noteikts aizliegums bez NORDEA BANK FINLAND PLC rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt vai apgrūtināt ar jebkādam citām lietu tiesībām, kā arī veikt būvniecību, tajā skaitā būvniecību uz zemes nomas līguma pamata. Pamats: 2011.gada 24. augusta hipotēkas līgums. <i>Žurn. Nr. 300003171037, lēmums 06.02.2012., tiesnese Maijita Zadiņa</i> Dzēsts Saistīts ar ierakstiem: II daļas 2.iedaļa 6.7 (300003785586), 7.1 (300004130066)		
6.1. Grozīt atzīmi Nr. 1.1 (žurnāla Nr. 300002392850, 04.03.2008) un izteikt šādā redakcijā: Dzēsts Saistīts ar ierakstiem: II daļas 2.iedaļa 8.1 (300004175267), 9.1 (300004366832), 11.1 (300004506584)		
6.2. Atzīme - noteikts aizliegums bez NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt vai apgrūtināt ar jebkādam citām lietu tiesībām, kā arī veikt uz zemes gabala būvniecību, tajā skaitā būvniecību uz zemes nomas līguma pamata. Dzēsts Saistīts ar ierakstiem: II daļas 2.iedaļa 8.1 (300004175267), 9.1 (300004366832), 11.1 (300004506584)		
6.3. Pamats: 2015.gada 5.janvāra vienošanās Nr.710 par kļūtas tiesību pāreju.		

II daļas 2.iedaļa Atzīmes un aizliegumi, pēcmantinieku iecelšana, mantojuma līgumi, šo ierakstu pārgrozījumi un dzēsumi	
<p>Dzēsts Saisīts ar ierakstiem: II daļas 2.iedaļa 8.1 (300004175267), 9.1 (300004366832), 11.1 (300004506584)</p> <p>6.4. Grozīt atzīmi Nr. 2.1 (žurnāla Nr. 300002884511, 26.07.2010) un izteikt šādā redakcijā: Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 8.2 (300004175267)</p> <p>6.5. Atzīme - noteikts aizliegums bez NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt un apgrūtināt ar lietu tiesībām. Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 8.2 (300004175267)</p> <p>6.6. Pamats: 2015.gada 5.janvāra vienošanās Nr.710 par ķīlas tiesību pāreju. Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 8.2 (300004175267)</p> <p>6.7. Grozīt atzīmi Nr. 5.1 (žurnāla Nr. 300003171037, 13.01.2012) un izteikt šādā redakcijā: Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 7.2 (300004130066)</p> <p>6.8. Atzīme - noteikts aizliegums bez NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt, izīrēt, iznomāt vai apgrūtināt ar jebkādam citām lietu tiesībām, kā arī veikt būvniecību, tajā skaitā būvniecību uz zemes nomas līguma pamata. Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 7.2 (300004130066)</p> <p>6.9. Pamats: 2015.gada 5.janvāra vienošanās Nr.710 par ķīlas tiesību pāreju. Žum. Nr. 300003785586, lēmums 28.01.2015., tiesnese Ināra Zarīņa Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 7.2 (300004130066)</p> <p>7.1. Atzīme Nr. 5.1 (žurnāla Nr. 300003171037, 13.01.2012) dzēsta.Pamats: AS "Nordea Bank AB" 2016.gada 16.jūnija nostiprinājuma lūgums.</p> <p>7.2. Atzīme Nr. 6.8 un ieraksti 6.7, 6.9 (žurnāla Nr. 300003785586, 16.01.2015) dzēsti.Pamats: AS "Nordea Bank AB" 2016.gada 16.jūnija nostiprinājuma lūgums. Žum. Nr. 300004130066, lēmums 28.06.2016., tiesnesis Helmutis Naglis</p> <p>8.1. Atzīme Nr. 1.1, 6.1, 6.2, 6.3 (žurnāla Nr. 300002392850, 04.03.2008, 300003785586, 16.01.2015) dzēsta.Pamats: Nordea Bank AB 2016.gada 25.augusta nostiprinājuma lūgums. Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 9.1 (300004366832)</p> <p>8.2. Atzīme Nr. 2.1, 6.4, 6.5, 6.6 (žurnāla Nr. 300002884511, 26.07.2010, 300003785586, 16.01.2015) dzēsta.Pamats: Nordea Bank AB 2016.gada 25.augusta nostiprinājuma lūgums. Žum. Nr. 300004175267, lēmums 02.09.2016., tiesnese Sandra Zeire</p> <p>9.1. Ieraksts Nr. 8.1 (žurnāla Nr. 300004175267, 25.08.2016) dzēsts.Atjaunots II daļas 2.iedaļas ierakstā Nr.1.1 ierakstītās aizlieguma atzīmes statuss no "dzēsts" uz "grozīts" un II daļas 2.iedaļas ierakstos Nr.6.1, 6.2, 6.3 ierakstīto grozījumu statuss no "dzēsts" uz "spēkā esošs".Atzīme spēkā ar zemesgrāmatu nodaļas tiesneša 2008.gada 7.marta lēmumu (žurnāla Nr.300002392850), grozījumi spēkā ar zemesgrāmatu nodaļas tiesneša 2015.gada 28.janvāra lēmumu (žurnāla Nr.300003785586).Ieraksts izdarīts, labojot kļūdu saskaņā ar Zemesgrāmatu likuma 90.pantu un Nordea Bank AB 2017.gada 12.jūnija iesniegumu. Žum. Nr. 300004366832, lēmums 13.06.2017., tiesnese Sandra Zeire Dzēsts Saisīts ar ierakstu: II daļas 2.iedaļa 11.1 (300004506584)</p> <p>10.1. Atzīme - noteikts aizliegums bez Luminor Bank, AS, reģistrācijas numurs 40003024725, rakstiskas piekrišanas nekustamu īpašumu atsavināt, dāvināt, sadalīt un apgrūtināt ar lietu tiesībām.</p> <p>10.2. Pamats: 2017.gada 30.novembra hipotēkas līgums. Žum. Nr. 300004490102, lēmums 07.12.2017., tiesnese Everīta Ancāne</p> <p>11.1. Atzīmes un ieraksti Nr. 1.1, 6.1, 6.2, 6.3, 9.1 (žurnāla Nr. 300002392850, 04.03.2008, 300003785586, 16.01.2015, 300004366832, 09.06.2017) dzēsti.Pamats: Nordea Bank AB 2017.gada 19.decembra nostiprinājuma lūgums. Žum. Nr. 300004506584, lēmums 28.12.2017., tiesnese Indra Krelberga</p>	
III daļas 1.iedaļa Lietu tiesības, kas apgrūtinā nekustamu īpašumu	
1.1. Atzīme - centrālie elektrotīkli- 20 kV EPL josla 70m/13m.	Platība, lielums 0.1 ha
2.1. Atzīme - centrālie elektrotīkli - 20 kVEpl josla 100m/13m.	0.1 ha

III daļas 1.iedaļa Lietu tiesības, kas apgrūrina nekustamu īpašumu	Platība, lielums
<p>3.1. Pamats: 1997. gada 19. novembra Olaines pagasta zemes komisijas lēmums Nr.166&8 <i>Žurn. Nr. 6456, lēmums 11.04.2001., tiesnese Skaidrīte Temļakova</i></p> <p>4.1. Nostiprināta īres tiesība līdz 2013. gada 28. jūlijam uz ēkas ar kadastra apzīmējumu 8080 003 0029 002 neapdzīvojamo platību 17730,50 kvm. platībā, atbilstoši 2008. gada 28. jūlija īres līguma 1. pielikumā norādītajiem parametriem. Īrnieks : SIA "GIRTEKOS LOGISTIKA", nodokļu maksātāja kods 40103168500. Pamats: 2008.gada 15. jūlija īres līgums Nr.LV-001/8, 2008.gada 28. jūlija telpu nodošanas-pieņemšanas akts. <i>Žurn. Nr. 300002505989, lēmums 14.08.2008., tiesnese Indra Kreicberga</i></p> <p>Grozīts Saistīts ar ierakstiem: III daļas 2.iedaļa 1.1 (300002684623), 3.1 (300003763452)</p> <p>5.1. Nostiprināta nomas tiesība līdz 2018. gada 31. jūlijam uz neapdzīvojamām telpām 6725,78 kvm platībā ēkā ar kadastra apzīmējumu 8080-003-0029-001 saskaņā ar līguma 1. pielikumu. Nomnieks : SIA "NORDNET LOGISTICS", nodokļu maksātāja kods 40003926160. Pamats: 2008.gada 28. februāra Nomas līgums Nr.OPL-2008-008. <i>Žurn. Nr. 300002561147, lēmums 31.10.2008., tiesnese Ināra Zabarovska</i></p> <p>Dzēsts Saistīts ar ierakstu: III daļas 2.iedaļa 2.1 (300002869970)</p> <p>6.1. Nostiprināta īres tiesība līdz 2017.gada 11.maijam uz ēkas ar kadastra apzīmējumu 8080 003 0029 002 telpām 16887 kvm platībā pirmajā stāvā, 843,50 kvm platībā otrajā stāvā un rampas 1238 kvm platībā, kā norādīts 2009.gada 7.janvāra īres līgumam Nr.OPL-2009-001 klāt pievienotajā pielikumā Nr.1. Īrnieks : MAXIMA Latvija, SIA, nodokļu maksātāja kods 40003520643. Pamats: 2009.gada 7. janvāra īres līgums Nr.OPL-2009-001, 2009.gada 20. aprīļa nomas līguma (Nr.OPL-2009-001) atjauninājums, 2009.gada 11. maija telpu pieņemšanas-nodošanas akts. <i>Žurn. Nr. 300002684631, lēmums 10.06.2009., tiesnese Ollta Blūmfelde</i></p>	
<p>III daļas 2.iedaļa Pārgrozījumi pirmās iedaļas ierakstos, šo ierakstu un to pārgrozījumu dzēsumi</p> <p>1.1. Grozīts 1. iedaļas ieraksts Nr. 4.1 (žurnāla Nr. 300002505989, 07.08.2008) un ieraksta daļu "uz ēkas ar kadastra apzīmējumu 8080 003 0029 002 neapdzīvojamo platību 17730,50 kvm. platībā, atbilstoši 2008. gada 28. jūlija īres līguma 1. pielikumā norādītajiem parametriem" aizstāt ar tekstu "uz neapdzīvojamo platību 9083,89 kvm platībā, atbilstoši 3.pielikumā norādītajiem parametriem un telpu kadastrālajiem mērījumiem, kas atrodas ēkā ar kadastra apzīmējumu 8080 003 0029 001". Pamats: 2009.gada 7. janvāra līguma pielikums Nr.2 par izmaiņām 2008.gada 15.jūlija "īres līgums" Nr.LV-001/8. <i>Žurn. Nr. 300002684623, lēmums 10.06.2009., tiesnese Ollta Blūmfelde</i></p> <p>2.1. Dzēsts 1. iedaļas ieraksts Nr. 5.1 (žurnāla Nr. 300002561147, 24.10.2008). Pamats: 2010.gada 27. aprīļa Apliecinājums par 2008.gada 28.februāra nomas līguma Nr.OPL-2008-008 pirmstermiņa izbeigšanu. <i>Žurn. Nr. 300002869970, lēmums 30.06.2010., tiesnese Ināra Zabarovska</i></p> <p>3.1. Grozīt 1. iedaļas ierakstu Nr. 4.1 (žurnāla Nr. 300002505989, 07.08.2008) daļā - nomas tiesības termiņš pagarināts līdz 2020.gada 28.jūlijam.Pamats: 2013.gada 15.jūlija grozījumi nomas līgumam Nr.LV-001/8. <i>Žurn. Nr. 300003763452, lēmums 12.12.2014., tiesnese Indra Kreicberga</i></p>	Platība, lielums
<p>IV daļas 1., 2. iedaļa Kīlas tiesības un tās pamats</p> <p>1.1. Nostiprināta kā pirmā hipotēka. Hipotēka nodrošina aizdevumu Ls 15250846,80 apmērā. Procentu likme: 1 mēnešu EURIBOR + 1% gadā. Līgumsods: 0,04 % dienā no laikā nenomaksātās summas. Samaksas termiņš: nokavējuma līgumsodam - pēc bankas pieprasījuma; procentiem - attiecīgā maksājuma perioda pēdējā dienā. Kreditors: Nordea Bank Finland Plc, nodokļu maksātāja kods 40003486767. Pamats: 2008.gada 27. februāra aizdevuma (kredīta) līgums Nr.2007/248/A, 2008.gada 27. februāra pielikums C 2008.gada 27. februāra aizdevuma (kredīta) līgumam Nr.2007/248/A hipotēkas līgums. <i>Žurn. Nr. 300002392850, lēmums 07.03.2008., tiesnesis Helmutis Naglis</i></p> <p>Dzēsts Saistīts ar ierakstiem: IV daļas 1.-2.iedaļa 1.1 (300003785586); IV daļas 3.iedaļa 1.1 (300003785586); IV daļas 4., 5.iedaļa 3.1 (300004175267), 4.1 (300004366832), 5.1</p>	Summa 19826100.84 LVL

IV daļas 1., 2. iedaļa Kīlas tiesības un tās pamats	Summa
<p>(300004506584)</p> <p>1.1. Nostiprināta kā pirmā hipotēka. Hipotēka nodrošina aizdevumu Ls 15250846,80 apmērā. Procentu likme: 1 mēnešu EURIBOR + 1% gadā. Līgumsods: 0,04 % dienā no laikā nenomaksātās summas. Samaksas termiņš: nokavējuma līgumsodam - pēc bankas pieprasījuma; procentiem - attiecīgā maksājuma perioda pēdējā dienā. Kreditors: NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120. Zīm. Nr. 300003785586, lēmums 28.01.2015., tiesnese Ināra Zariņa</p> <p>Dzēsts Saisīts ar ierakstiem: IV daļas 4., 5.iedaļa 3.1 (300004175267), 4.1 (300004366832), 5.1 (300004506584)</p>	19826100.84 LVL
<p>2.1. Nostiprināta kārtējā hipotēka. Hipotēka nodrošina aizdevumu 7168600,80 LVL apmērā. Procentu likme: saskaņā ar ilgtermiņa aizdevuma kredīta līgumu un visiem tā iespējamiem grozījumiem. Līgumsods: saskaņā ar ilgtermiņa kredīta līgumu un visiem tā iespējamiem grozījumiem. Samaksas termiņš nokavējuma līgumsodam - pēc bankas pieprasījuma. Procentiem - attiecīgā maksājuma perioda pēdējā dienā. Kreditors: NORDEA BANK FINLAND PLC. Pamats: 2007.gada 19. septembra ilgtermiņa kredīta līgums Nr. KS 07/09/16, 2010.gada 19. maija papildus vienošanās Nr. KSP 10/05/08 (01) pie 19.09.2007. ilgtermiņa kredīta līguma Nr. KS 07/09/16, 2010.gada 8. jūnija papildus vienošanās Nr. KSP 10/06.09 (02) pie 19.09.2007. ilgtermiņa kredītlīguma Nr. KS 07/09/16, 2010.gada 22. jūlija hipotēkas līgums. Zīm. Nr. 300002884511, lēmums 23.08.2010., tiesnese Skaidrīte Temjakova</p> <p>Dzēsts Saisīts ar ierakstiem: IV daļas 1.-2.iedaļa 2.1 (300003785586); IV daļas 3.iedaļa 1.2 (300003785586); IV daļas 4., 5.iedaļa 3.2 (300004175267)</p>	9319181.04 LVL
<p>2.1. Nostiprināta kārtējā hipotēka. Hipotēka nodrošina aizdevumu 7168600,80 LVL apmērā. Procentu likme: saskaņā ar ilgtermiņa aizdevuma kredīta līgumu un visiem tā iespējamiem grozījumiem. Līgumsods: saskaņā ar ilgtermiņa kredīta līgumu un visiem tā iespējamiem grozījumiem. Samaksas termiņš nokavējuma līgumsodam - pēc bankas pieprasījuma. Procentiem - attiecīgā maksājuma perioda pēdējā dienā. Kreditors: NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120. Zīm. Nr. 300003785586, lēmums 28.01.2015., tiesnese Ināra Zariņa</p> <p>Dzēsts Saisīts ar ierakstu: IV daļas 4., 5.iedaļa 3.2 (300004175267)</p>	9319181.04 LVL
<p>3.1. Nostiprināta kārtējā hipotēka. Hipotēka nodrošina aizdevumu 6676638,00 LVL apmērā. Procentu likme: saskaņā ar aizdevuma līgumu un visiem tā iespējamiem grozījumiem. Līgumsods: 0,04% dienā no laikā nenomaksātās summas. Samaksas termiņš nokavējuma līgumsodam - pēc bankas pieprasījuma. Procentiem - attiecīgā maksājuma perioda pēdējā dienā. Kreditors: NORDEA BANK FINLAND PLC. Pamats: 2008.gada 30. septembra aizdevuma (kredīta) līgums Nr. 2007-249-A, 2009.gada 17. februāra līgums par grozījumiem aizdevuma (kredīta) līgumā Nr. 2007-249-A, 2010.gada 22. jūlija hipotēkas līgums. Zīm. Nr. 300002884523, lēmums 23.08.2010., tiesnese Skaidrīte Temjakova</p> <p>Dzēsts Saisīts ar ierakstu: IV daļas 4., 5.iedaļa 1.1 (300003095751)</p>	8679629.40 LVL
<p>4.1. Nostiprināta hipotēka. Hipotēka nodrošina aizdevumu Ls 4 216 824 un iespējamus blakus prasījumus. Procentu likme mainīga: 3 mēnešu EURIBOR + 1,95% gadā. Līgumsods:16% gadā no laikā nenomaksātās summas. Samaksas termiņš: nokavējuma līgumsodam - pēc kreditora pieprasījuma; procentiem - attiecīgā maksājuma perioda pēdējā diena. Kreditors: NORDEA BANK FINLAND PLC. Pamats: 2011.gada 8. februāra kredītlīgums Nr.KS 11/02/04, 2011.gada 13. jūnija papildus vienošanās Nr.KSP 11/06/07 (01) pie kredītlīguma Nr.KS 11/02/04, 2011.gada 24. augusta hipotēkas līgums. Zīm. Nr. 300003171037, lēmums 06.02.2012., tiesnese Mairita Zadiņa</p> <p>Dzēsts Saisīts ar ierakstiem: IV daļas 1.-2.iedaļa 4.1 (300003785586); IV daļas 3.iedaļa 1.3 (300003785586); IV daļas 4., 5.iedaļa 2.1 (300004130066)</p>	5481871.20 LVL
<p>4.1. Nostiprināta hipotēka. Hipotēka nodrošina aizdevumu Ls 4 216 824 un iespējamus blakus prasījumus. Procentu likme mainīga: 3 mēnešu EURIBOR + 1,95% gadā. Līgumsods:16% gadā no laikā nenomaksātās</p>	5481871.20 LVL

IV daļas 1., 2. iedaļa Ķīlas tiesības un tās pamats	Summa
<p>summas. Samaksas termiņš: nokavējuma līgumsodam - pēc kreditora pieprasījuma; procentiem - attiecīgā maksājuma perioda pēdējā diena. Kreditors: NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120. <i>Zum. Nr. 300003785586, lēmums 28.01.2015., tiesnese Ināra Zariņa</i> <i>Dzēsts</i> <i>Saisīts ar ierakstu: IV daļas 4., 5.iedaļa 2.1 (300004130066)</i></p> <p>5.1. Nostiprināta kārtējā hipotēka. Galvenais prasījums 21280000.00 EUR un blakus prasījumi 6384000.00 EUR Kreditors: Luminor Bank, AS, reģistrācijas numurs 40003024725. 27664000.00 EUR</p> <p>5.2. Pamats: 2017.gada 24.novembra aizdevuma (kredīta) līgums Nr.2017-102-A, 2017.gada 30.novembra hipotēkas līgums. <i>Zum. Nr. 300004490102, lēmums 07.12.2017., tiesnese Everita Ancāne</i></p>	
IV daļas 3.iedaļa Ķīlas tiesību pārgrozījumi, pārgrozījumu dzēsumi	Summa
<p>1.1. Grozīt 4. daļas 1.,2. iedaļas ierakstu Nr. 1.1 (žurnāla Nr. 300002392850, 07.03.2008) daļā un mainīt kreditoru no "Nordea Bank Finland Plc, nodokļu maksātāja kods 40003486767" uz "NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120".Pamats: 2015.gada 5.janvāra vienošanās Nr.710 par ķīlas tiesību pāreju. <i>Dzēsts</i> <i>Saisīts ar ierakstiem: IV daļas 1.-2.iedaļa 1.1 (300003785586); IV daļas 3.iedaļa 3.1 (300004175267), 4.1 (300004366832), 5.1 (300004506584)</i></p> <p>1.2. Grozīt 4. daļas 1.,2. iedaļas ierakstu Nr. 2.1 (žurnāla Nr. 300002884511, 23.08.2010) daļā un mainīt kreditoru no "NORDEA BANK FINLAND PLC" uz "NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120".Pamats: 2015.gada 5.janvāra vienošanās Nr.710 par ķīlas tiesību pāreju. <i>Dzēsts</i> <i>Saisīts ar ierakstiem: IV daļas 1.-2.iedaļa 2.1 (300003785586); IV daļas 3.iedaļa 3.2 (300004175267)</i></p> <p>1.3. Grozīt 4. daļas 1.,2. iedaļas ierakstu Nr. 4.1 (žurnāla Nr. 300003171037, 06.02.2012) daļā un mainīt kreditoru no "NORDEA BANK FINLAND PLC" uz "NORDEA BANK AB, Zviedrijas sabiedrības reģistrācijas Nr.516406-0120".Pamats: 2015.gada 5.janvāra vienošanās Nr.710 par ķīlas tiesību pāreju. <i>Zum. Nr. 300003785586, lēmums 28.01.2015., tiesnese Ināra Zariņa</i> <i>Dzēsts</i> <i>Saisīts ar ierakstiem: IV daļas 1.-2.iedaļa 4.1 (300003785586); IV daļas 3.iedaļa 2.1 (300004130066)</i></p> <p>2.1. Dzēsts 3. iedaļas ieraksts Nr. 1.3 (žurnāla Nr. 300003785586, 16.01.2015).Pamats: AS "Nordea Bank AB" 2016.gada 16.jūnija nostiprinājuma lūgums. <i>Zum. Nr. 300004130066, lēmums 28.06.2016., tiesnesis Helmutis Naglis</i></p> <p>3.1. Dzēsts 3. iedaļas ieraksts Nr. 1.1 (žurnāla Nr. 300003785586, 16.01.2015).Pamats: Nordea Bank AB 2016.gada 25.augusta nostiprinājuma lūgums. <i>Dzēsts</i> <i>Saisīts ar ierakstu: IV daļas 3.iedaļa 4.1 (300004366832)</i></p> <p>3.2. Dzēsts 3. iedaļas ieraksts Nr. 1.2 (žurnāla Nr. 300003785586, 16.01.2015).Pamats: Nordea Bank AB 2016.gada 25.augusta nostiprinājuma lūgums. <i>Zum. Nr. 300004175267, lēmums 02.09.2016., tiesnese Sandra Zelre</i></p> <p>4.1. Dzēst ierakstu Nr. 3.1 (žurnāla Nr. 300004175267, 25.08.2016).Atjaunots IV daļas 3.iedaļas ierakstā Nr.1.1 ierakstīto grozījumu statuss no "dzēsts" uz "aktualizēts".Ieraksts spēkā ar zemesgrāmatu nodaļas tiesneša 2015.gada 28.janvāra lēmumu (žurnāla Nr.300003785586).Ieraksts izdarīts, labojot kļūdu saskaņā ar Zemesgrāmatu likuma 90.pantu un Nordea Bank AB 2017.gada 12.jūnija iesniegumu. <i>Zum. Nr. 300004366832, lēmums 13.06.2017., tiesnese Sandra Zelre</i> <i>Dzēsts</i> <i>Saisīts ar ierakstu: IV daļas 3.iedaļa 5.1 (300004506584)</i></p> <p>5.1. Dzēsts 3. iedaļas ieraksts Nr. 1.1, 4.1 (žurnāla Nr. 300003785586,</p>	

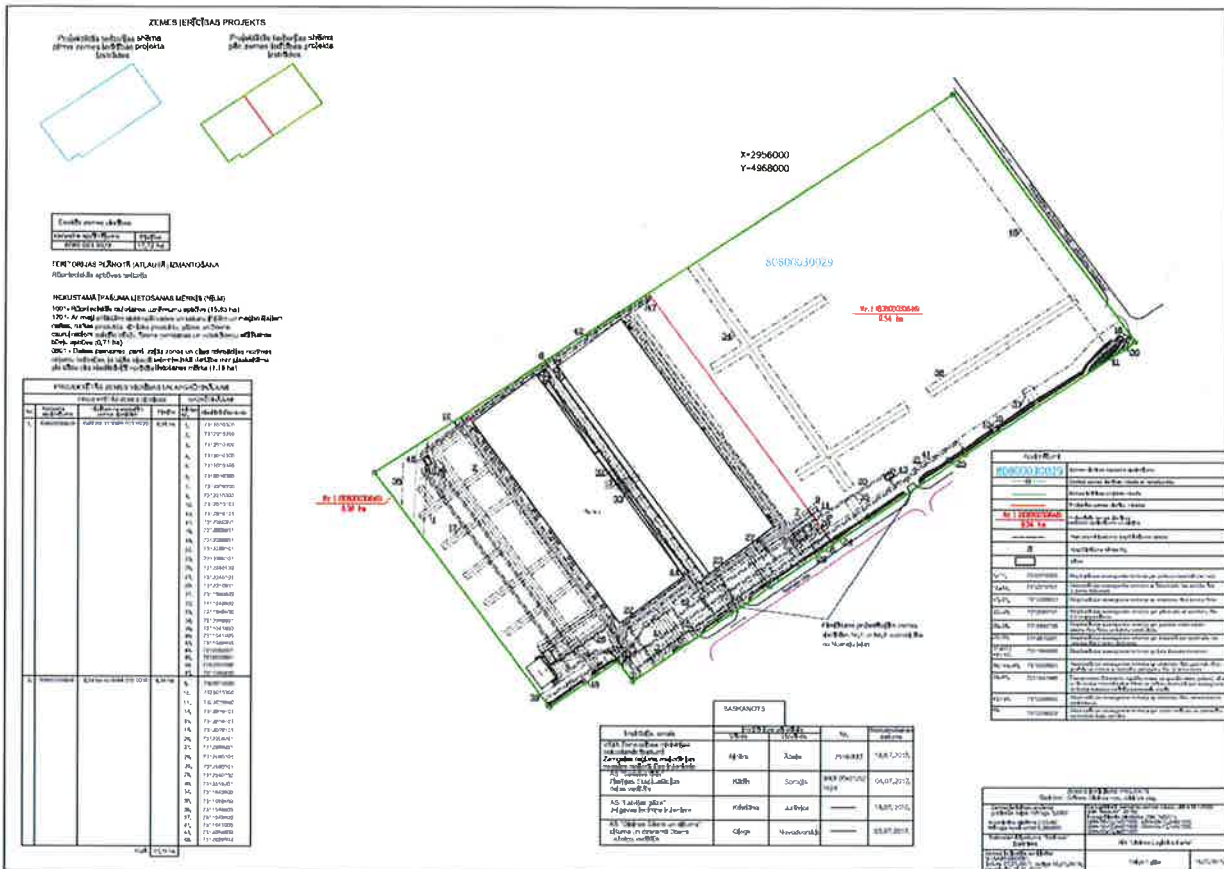
IV daļas 3. iedaļa Kīlas tiesību pārgrozījumi, pārgrozījumu dzēsumi	Summa
16.01.2015, 300004366832, 09.06.2017). Pamats: Nordea Bank AB 2017.gada 19.decembra nostiprinājuma lūgums. <i>Zum. Nr. 300004506584, lēmums 28.12.2017., tiesnese Indra Kreičberga</i>	
IV daļas 4., 5. iedaļa Kīlas tiesību dzēsumi	Summa
1.1. Dzēsta kārtējā hipotēka (1., 2. iedaļas ieraksts Nr. 3.1, žurnāla Nr. 300002884523, 26.07.2010). Pamats: 2011.gada 30. jūnija Nordea Bank Finland Plc nostiprinājuma lūgums. <i>Zum. Nr. 300003095751, lēmums 29.09.2011., tiesnese Samīte Stūrmane</i>	8679629.40 LVL
2.1. Dzēsta hipotēka (1., 2. iedaļas ieraksts Nr.4.1, 4.1, žurnāla Nr. 300003171037, 13.01.2012, 300003785586, 16.01.2015). Pamats: AS "Nordea Bank AB" 2016.gada 16.jūnija nostiprinājuma lūgums. <i>Zum. Nr. 300004130066, lēmums 28.06.2016., tiesnesis Helmutis Naglis</i>	7800000.00 EUR
3.1. Dzēsta hipotēka (1., 2. iedaļas ieraksts Nr.1.1, 1.1, žurnāla Nr. 300002392850, 04.03.2008, 300003785586, 16.01.2015). Pamats: Nordea Bank AB 2016.gada 25.augusta nostiprinājuma lūgums. <i>Dzēsts Saisīts ar ierakstu: IV daļas 4., 5. iedaļa 4.1 (300004366832)</i>	28210000.00 EUR
3.2. Dzēsta hipotēka (1., 2. iedaļas ieraksts Nr.2.1, 2.1, žurnāla Nr. 300002884511, 26.07.2010, 300003785586, 16.01.2015). Pamats: Nordea Bank AB 2016.gada 25.augusta nostiprinājuma lūgums. <i>Zum. Nr. 300004175267, lēmums 02.09.2016., tiesnese Sandra Zelre</i>	13260000.00 EUR
4.1. Dzēst ierakstu Nr. 3.1 (žurnāla Nr. 300004175267, 25.08.2016). Atjaunots IV daļas 1., 2. iedaļas ierakstā Nr.1.1 ierakstītās hipotēkas (žurnāla Nr.300002392850) statuss no "dzēsts" uz "aktualizēts" un IV daļas 1., 2. iedaļas ierakstā Nr.1.1 ierakstītās hipotēkas (žurnāla Nr.300003785586) statuss no "dzēsts" uz "spēkā esošs". Aktualizētā hipotēka spēkā ar zemesgrāmatu nodaļas tiesneša 2008.gada 7.marta lēmumu (žurnāla Nr.300002392850) un hipotēka spēkā ar zemesgrāmatas nodaļas tiesneša 2015.gada 28.janvāra lēmumu (žurnāla Nr.300003785586). Ieraksts izdarīts, labojot kļūdu saskaņā ar Zemesgrāmatu likuma 90.pantu un Nordea Bank AB 2017.gada 12.jūnija iesniegumu. <i>Zum. Nr. 300004366832, lēmums 13.06.2017., tiesnese Sandra Zelre Dzēsts Saisīts ar ierakstu: IV daļas 4., 5. iedaļa 5.2 (300004506584)</i>	
5.1. Dzēsta hipotēka (1., 2. iedaļas ieraksts Nr.1.1, žurnāla Nr.300002392850, 04.03.2008, žurnāla Nr.300003785586, 16.01.2015). Pamats: Nordea Bank AB 2017.gada 19.decembra nostiprinājuma lūgums.	28210000.00 EUR
5.2. Dzēst ierakstu Nr. 4.1 (žurnāla Nr. 300004366832, 09.06.2017). Pamats: Nordea Bank AB 2017.gada 19.decembra nostiprinājuma lūgums. <i>Zum. Nr. 300004506584, lēmums 28.12.2017., tiesnese Indra Kreičberga</i>	

Informācijas prasītājs: Anna Ivanāne. Pieprasījums izdarīts 11.01.2018. 11:17:26.

Maksa par informāciju fiksēta Jūsu rēķinā.

Piezīme. Saskaņā ar Fizisko personu datu aizsardzības likumu, katrs informācijas pieprasījums no datubāzes tiek reģistrēts

Annex No 2: Plan of the Land Plot division



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SUBORDINATION AGREEMENT

Bank	Luminor Bank AS , registration No 40003024725, legal address: Skanstes iela 12, Riga, LV-1013, Republic of Latvia.
Borrower	SIA Olaines Logistics , registration No. 40103578358 and legal address Zemitāna street 2B, LV-1012, Republic of Latvia.
Issuer	UPP Olaines OÜ , registration No. 14318601 and legal address Pärnu mnt 141, Tallinn, 11314, Republic of Estonia.
Collateral Agent	Law Office Eversheds Sutherland Bitāns , VAT registration No. 90000816224 and address: 20a Lāčplēša Street, 6 th floor, Riga, LV-1011, Republic of Latvia, acting on behalf of the Investors.
Investors	The Investors as defined in the Terms (as defined below), represented by the Collateral Agent.

have concluded this subordination agreement (hereinafter referred to as the "Agreement"):

Borrower's Address	SIA Olaines Logistics Zemitāna street 2B, LV-1012, Latvia Tel.: +372 6616 450 E-mail: info@unitedpartners.ee Attn: Hallar Loogma
Collateral Agent's Address	Law Office Eversheds Sutherland Bitāns 20a Lāčplēša Street, 6 th floor, Riga, LV-1011, Latvia Tel.: +371 67280102 E-mail: birojs@eversheds-sutherland.lv Attn: Māris Vainovskis
Issuer's Address	UPP Olaines OÜ Pärnu mnt 141, Tallinn, 11314, Estonia Tel.: +372 6616 450 E-mail: info@unitedpartners.ee Attn: Hallar Loogma/Kevin Soon
Loan Agreement	Loan (credit) Agreement No 2017-102-A, which is concluded between the Bank and the Borrower.
Terms	Terms and Conditions of the Issuer's Note Issue dated 31st October, 2017, as attached to this Agreement in Appendix No 1.
Investor	A registered holder of a Note in the register or where relevant a person, who has placed a Purchase Offer in accordance with the Terms and acquired Notes.
Note	A debt security (ISIN EE3300111350) that is issued by the Issuer in accordance with the Terms in the amount of the nominal value of the Note and the interest payable on the Note, that is issued and is redeemable in accordance with the Terms.
Parties	The Bank, the Borrower, the Issuer and the Collateral Agent and the Investors.

Whereas:

- a) the Issuer shall, in accordance with the Terms issue the Notes and Investor shall acquire the Notes by paying issue price to the Issuer according to the procedure as set by the Terms;
- b) Collateral Agent is acting as Investor's agent and the Collateral Agent is authorized on behalf of the Investors to exercise the rights, powers, authorities and discretions specifically given to it under the Terms, including, but not limited to, sign this Agreement;
- c) the terms and the expressions defined in the Terms have the same meaning in the present Agreement, unless the content of the present Agreement otherwise provides;

1. Subject of Agreement

1.1. The claims of the Investors arising from the Terms, including the Notes and annexes to the Terms, are subordinated to the claims of the Bank against the Borrower under the Loan Agreement and to any possible claims of the Bank against the Issuer under this Agreement in accordance with Clause 1.2. For the avoidance of doubt, the claims of the Collateral Agent arising from the Terms are not subject to subordination under this Agreement.

1.2. Until the Borrower has completely fulfilled its payment obligations under the Loan Agreement towards the Bank and the Issuer has completely fulfilled any of its possible payment obligations under this Agreement towards the Bank :

1.2.1. the Issuer has no right to make payments under the Terms to the Investors without prior written consent from the Bank. Notwithstanding provisions of this Clause (1.2.1), provided that the financial covenants described in the Loan Agreement have been fulfilled properly, the Issuer shall be entitled without the written consent of the Bank to pay Interest to the Investors in accordance with the Terms;

1.2.2. for the avoidance of doubt, despite the prohibition to make payments as described in Clause 1.2.1. of this Agreement and the prohibition to demand redemption as described in Clause 1.2.7 of this Agreement, any payment delay may be considered a breach of the Terms in accordance with the Terms;

1.2.3. the Investors shall not initiate enforcement of the Collateral in accordance with the Terms without prior written consent from the Bank;

1.2.4. in the event of liquidation or bankruptcy of the Issuer, all liabilities of the Issuer arising from the Terms are settled after the claims of the Bank against the Issuer arising from the Subordination Agreement have been fully settled pursuant to applicable legislation (for the avoidance of doubt this does not affect the right of the Investors and the Collateral Agent to have their claims satisfied on account of the proceeds received from the enforcement of the Collateral in accordance with applicable law).

1.2.5. the Terms cannot be amended without the prior written consent of the Bank (however, if the amendment would not negatively affect the rights and obligations of the Bank, such approval shall not be unreasonably withheld by the Bank).

1.2.6. the Issuer shall not offer early redemption to the Investors without prior written consent from the Bank;

1.2.7. the Investors shall not demand redemption of the Notes (all or part of the outstanding Nominal Value of the Notes) neither on the Maturity Date, Early Redemption Date nor, if applicable, in case of occurrence of the Extraordinary Early Redemption Event without prior written consent from the Bank (for the avoidance of doubt, the Investors have a right to demand redemption of the Notes on the Early Redemption Date or on the Extraordinary Early Redemption Date, if the Bank has granted its consent for the relevant redemption);

1.2.8. The Investors shall not assign or otherwise transfer claims arising from the Terms (including Notes) to third parties without prior written consent from the Bank. The restriction stated in this clause shall not apply, provided that all the rights and obligations under the Terms and the present Agreement after such transfer of Notes are also binding to the new holder of the Notes.

1.3. The Borrower shall within 60 days after the end of each quarter submit to the Collateral Agent and the Issuer compliance certificate signed by the Borrower's general manager and chief accountant with calculated financial covenants and confirmation that financial covenants described in the Loan Agreement have been fulfilled properly.

1.4. The Issuer shall inform the Collateral Agent of breach of the financial covenants described in the Loan Agreement as soon as it becomes evident to the Issuer. The Collateral Agent shall immediately inform all Investors accordingly.

1.5. The Bank acknowledges that within 45 days from the receipt of the notice described in Clause 1.4 of this Agreement the Investors shall have a right to propose to the Issuer to transfer the shares in the Borrower for a fee to a person designated by the Investors subject to a condition that all Notes shall be redeemed and all outstanding claims under the Terms shall be satisfied. Such transfer requires consent from the Bank. The Bank shall notify the Investors of its decision regarding granting of the consent within 30 days from receipt of the relevant proposal from the Investors.

1.6. The Bank will notify the Collateral Agent, if the claims are no longer subordinated in accordance with this Agreement.

1.7. The Issuer undertakes to ensure that the True Beneficial Owner of the Issuer is not changed.

The term "True Beneficial Owner" implies a natural person:

1) who owns or controls directly or indirectly at least 25% (twenty five per cent) of the Issuer's fixed capital or shares with voting rights or who in other way controls the business activity of the Issuer;

2) who directly or indirectly has rights to the property or under whose direct or indirect control is at least 25% (twenty five per cent) of a legal formation, which is not a merchant (a true beneficial owner of the foundation is a person or a group of persons, in favor of which the foundation is established);

3) for whose benefit or in whose interests the business relationship is being established.

2. Other Provisions

2.1. The Agreement has been drawn up and shall be construed in accordance with legislation of the Republic of Latvia and shall be in force until complete fulfilment by the Borrower of the payment obligations arising to it from the Loan Agreement and until complete fulfilment by the Issuer of any possible payment obligations arising to it from this Agreement.

2.2. Parties shall agree that any dispute arising from the Agreement and that cannot be settled within the mutual negotiations shall be settled in the court of the Republic of Latvia.

2.3. The Issuer confirms that it has been acquainted with the Loan Agreement and agrees thereto. The Parties acknowledge that the Collateral Agent and the Investors have not seen the Loan Agreement and have not been acquainted with its terms and conditions.

2.4. All annexes and amendments to the Agreement shall be made by the Parties in writing and they shall become an integral part of the Agreement.

2.5. Any correspondence sent by the Parties according to their obligations specified in the Agreement or legislation being deemed to have been received on the 3rd day after it is delivered to the postal office and sent by registered mail to the addresses of the Parties indicated in the Agreement, delivered in person, the same being deemed to have been received when the addressee has signed for the receiving of the correspondence.

2.6. To send correspondence addresses of the Parties shall be used: Borrower's Address, Collateral Agent's Address, Issuer's Address and the legal address of the Bank. All notices to the Investors shall be sent to the Collateral Agent's Address.

2.7. Changes in addresses, names of enterprises, rights of representations of the Parties shall be binding upon the Parties only after the other Party has received written information confirming such changes.

2.8. The Borrower, the Issuer, the Investors and the Collateral Agent agree that the Bank is entitled to perform processing of the data of the respective Party.

2.9. The agreement has been made up and signed in English language. By signing the Agreement, the Parties verify that the Agreement shall be binding to the Parties starting from the signing date.

For and on behalf of the Bank:

Place of signing: Latvija, Rīga
Date of signing: 24.11.2017.

Jānis Zagorskis
Lielo uzņēmumu departamenta
vadītāja vietnieks
Lielo uzņēmumu departaments
Deputy Head of
Large Corporate Department

For and on behalf of the Borrower:

Place of signing: Latvija, Rīga
Date of signing: 24.11.2017.

Hallar Loogma
Valdes loceklis / Member of the board

For and on behalf of the Issuer:

Place of signing: Latvija, Rīga
Date of signing: 24.11.2017.

Hallar Loogma
Valdes loceklis / Member of the board

Luminor Bank AS
Valdes loceklis
Jānis Buks

For and on behalf of the Collateral Agent:

Place of signing: Latvija, Rīga
Date of signing: 24.11.2017.

Agris Bitāns
Managing Partner

For and on behalf of the Investors:

Place of signing: Latvija, Rīga
Date of signing: 24.11.2017.

Agris Bitāns
Managing Partner of the Collateral Agent

**TERMS AND CONDITIONS OF UPP OLAINES OÜ
SUBORDINATED NOTE ISSUE**

DATED 31ST OCTOBER 2017

1. GENERAL PROVISIONS

- 1.1. These Terms and Conditions of the Issuer's Note Issue (the Terms) regulate:
- 1.1.1. the rights and obligations of the Issuer, the Collateral Agent and the Investors related to the Notes issued in the Estonia under these Terms;
- 1.1.2. the procedure for, and the terms and conditions of the Primary Distribution and redemption of the Notes under these Terms;
- 1.1.3. other rights and obligations of the Issuer and the Investors in the performance of transactions and operations related to the Primary Distribution and redemption of the Notes under these Terms.
- 1.2. **By submitting the Purchase Offer every Investor confirms that it is a sophisticated investor having broad experience and knowledge in the matters related to investments into financial instruments (including the financial instruments similar to the Notes). By submitting the Purchase Offer or acquiring the Notes every Investor agrees with and accepts these terms and conditions set forth in these Terms and its annexes and undertakes to adhere thereto.**
- 1.3. Each Investor acknowledges that the resale of the Notes by the Investor might under specific conditions be considered a public offer under the Estonian securities market regulation. The Investor undertakes to ensure that transfer of the Notes by such Investor would not qualify a public offer of the securities. In the light of the legislation in force in Estonia, this means that until admission to trading of the Notes on a stock exchange, on any multilateral trading facility or other trading platform in accordance with Section 1.4 of these Terms, the Investor undertakes not to transfer the Notes to any person with settlement price (i.e. the price payable for the Notes by such persons buying the Notes) of less than EUR 100,000. As an exception, the Investor may transfer the Notes to qualified investors (in Estonian: *kutseline investor*) within the meaning of § 6(2) of the Securities Market Act and to the Issuer also for the settlement price below EUR 100,000. The Investor acknowledges that the Estonian securities market regulation may be amended from time to time and undertakes to adhere to such regulation as in force.
- 1.4. The Issuer shall within 6 months from the Issue Date list and apply for admission of the Notes to trading on Nasdaq Baltic Bond List. From the date when the Notes are admitted to trading, the Issuer may designate a credit

institution or another financial institution as its payment agent. Thereafter the investors may be requested and would thereafter be obliged to exercise their financial rights pertaining to the Notes through the payment agent.

2. INTERPRETATION

- 2.1. For the purposes of these Terms and other Note documents, the following definitions have the following meanings, if explicitly not set out otherwise in the respective documents:
- 2.1.1. **Additional Issue Date** shall mean any Issue Date after the first Issue Date and before or on the Final Issue Date;
- 2.1.2. **Additional Subscription Period** shall mean a period of time for Subscription after Initial Subscription Period determined by the Issuer, but in any case not starting before the first Issue Date and not ending on or after the Final Issue Date;
- 2.1.3. **Allocation List** shall mean the document, approved by the Issuer, stipulating the extent of fulfilment of the Purchase Offers submitted in the Primary Distribution and the quantity of the Notes to be allocated by the Issuer to each Investor;
- 2.1.4. **Acquisition** shall mean acquisition of 100% of shares in the Target by the Latvian SPV;
- 2.1.5. **Bank** shall mean Luminor Bank AS (legal address: Skanstes iela 12, Riga, LV-1013, Latvia; register code: 40003024725);
- 2.1.6. **Banking Day** shall mean a business day, i.e. any day, except Saturday, Sunday, a national or a public holiday in Estonia (for the purposes of Section 12.2 of these Terms also except a national or public holiday in Latvia);
- 2.1.7. **Collateral** shall mean:
- 2.1.7.1. prior to completion of the Acquisition and until establishment of the Collateral referred to in Section 2.1.7.2 of these Terms, guarantee issued in favour of the Collateral Agent as a beneficiary by United Partners Property OÜ (legal address: Färnu mnt 141, Tallinn, 11314, Estonia; register code 11146281) (held for the benefit of the Investors in accordance with these Terms and the Collateral Agent Agreement); and
- 2.1.7.2. after the completion of the Acquisition, a 3rd rank mortgage in the maximum amount of EUR 8,079,500 over the Property in favour of the Collateral Agent as the pledgee (held for the benefit of the Investors in accordance with these Terms and the Collateral Agent Agreement); and

- of doubt the previous may also include the Subscription and the sale of the Notes to the Investors during the Additional Subscription Period(s));
- 2.1.37. **Promissory Note** shall mean an agreement between the Issuer and the Collateral Agent where the Issuer reassures that it owes any sums due under these Terms to the Collateral Agent and which may be used, if necessary, for the purposes of registration and enforcement of the Collateral described in Section 2.1.7.2 of these Terms;
- 2.1.38. **Property** shall mean the following real estate: (buildings and land) located at "Sarlotes", Olaines county, Olaines parish, Latvia, cadastral number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish, consisting of a land plot (cadastral designation 8080 003 0029) and four buildings – freezer (cadastral designation 8080 003 0029 001), warehouse (cadastral designation 8080 003 0029 002), fire-protection reservoir (cadastral designation 8080 003 0029 003) and pumping station (cadastral designation 8080.003.0029.001);
- 2.1.39. **Purchase Offer** shall mean a document, which is submitted by the Investor to the Issuer substantially in the form set out in an annex to the Final Terms, or if the Purchase Offer is submitted via the Register, in another form as set forth by the Registrar, and in which the Investor expresses its wish to acquire, through Primary Distribution, a certain amount of the Notes and undertakes to pay the Issue Price (which, if relevant, may also be the Issue Price on the Additional Issue Date) for the number of Notes indicated in the Purchase Offer;
- 2.1.40. **Qualifying Purchase Offers** shall mean the Purchase Offers which have been submitted according to these Terms and which are decided by the Issuer to be satisfied either wholly or partially in accordance with these Terms;
- 2.1.41. **Redemption Price** shall mean the payment payable by the Issuer to the Investors upon the regular redemption of the Notes (i.e. on the Maturity Date) or early redemption of the Notes (i.e. on the Early Redemption Date or the Extraordinary Early Redemption Date), calculated in accordance with these Terms;
- 2.1.42. **Register** shall mean the register in which the Notes shall be registered as set out in the Final Terms;
- 2.1.43. **Registrar** shall mean the person operating the Register as set out in the Final Terms;
- 2.1.44. **Related Parties** shall mean the Issuer's shareholders, members of the Issuer's management board and supervisory board (if relevant) and legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;
- 2.1.25. **Issue Price** shall mean the price set out in the Final Terms payable by an Investor for acquisition of a Note on the relevant Issue Date;
- 2.1.26. **Issuer** shall mean UPP Olaines OÜ (legal address: Pärnu mnt 141, Tallinn, 11314, Estonia; register code 14318601);
- 2.1.27. **Latvian SPV** shall mean SIA Olaines Logistics (legal address: Zemitāna street 2B, LV-1012, Latvia; register code 40103578358);
- 2.1.28. **Majority Investors** shall mean collectively any Investors (excluding the Issuer and Related Parties holding any Notes) who hold in aggregate the Notes with the Nominal Value representing at least 2/3 of the aggregate Nominal Value of all outstanding Notes (excluding any Notes held by the Issuer and the Related Parties). For the avoidance of doubt Notes held by the Issuer or Related Parties shall not give them rights provided to the Majority Investors under these Terms;
- 2.1.29. **Maturity Date** shall mean a Banking Day set out in the Final Terms, on which the Issuer must redeem the outstanding Notes;
- 2.1.30. **Maximum Aggregate Nominal Value of the Issue** shall mean the maximum aggregate Nominal Value of the Notes that may be issued under these Terms with the same ISIN code as set out in the Final Terms;
- 2.1.31. **Merger** shall mean the merger of the Target into the Latvian SPV;
- 2.1.32. **Nominal Value** shall mean the stated value of a Note, whereas on the Issue Date the Nominal Value is the value in which a Note is denominated as set forth in the Final Terms and following the repayment of principal of the Notes the Nominal Value is equal to the outstanding principal value of the Note;
- 2.1.33. **Note** shall mean a debt security that is issued by the Issuer in accordance with these Terms and approved by the Issuer's Management Board resolution as of 31. October 2017 and the Final Terms and represents the Issuer's secured debt obligation (until the establishment of the Collateral in accordance with Section 12 of these Terms unsecured debt obligation) in the amount of the Nominal Value of the Note and the interest payable on the Note, that is issued and is redeemable in accordance with these Terms;
- 2.1.34. **Parallel Debt** shall mean a payment undertaking and the obligations and liabilities resulting from it by the Issuer to the Collateral Agent set forth in Section 11.1 of these Terms;
- 2.1.35. **Payment Date** shall mean a Banking Day on or before the relevant Issue Date designated in the Final Terms latest on which the payment of the Issue Price must be received by the Issuer;
- 2.1.36. **Primary Distribution** shall mean the Subscription and the sale of the Notes to the Investors in accordance with these Terms (for the avoidance

- of doubt the previous may also include the Subscription and the sale of the Notes to the Investors during the Additional Subscription Period(s));
- 2.1.37. **Promissory Note** shall mean an agreement between the Issuer and the Collateral Agent where the Issuer reassures that it owes any sums due under these Terms to the Collateral Agent and which may be used, if necessary, for the purposes of registration and enforcement of the Collateral described in Section 2.1.7.2 of these Terms;
- 2.1.38. **Property** shall mean the following real estate: (buildings and land) located at "Sarlotes", Olaines county, Olaines parish, Latvia, cadastral number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish, consisting of a land plot (cadastral designation 8080 003 0029) and four buildings – freezer (cadastral designation 8080 003 0029 001), warehouse (cadastral designation 8080 003 0029 002), fire-protection reservoir (cadastral designation 8080 003 0029 003) and pumping station (cadastral designation 8080.003.0029.001);
- 2.1.39. **Purchase Offer** shall mean a document, which is submitted by the Investor to the Issuer substantially in the form set out in an annex to the Final Terms, or if the Purchase Offer is submitted via the Register, in another form as set forth by the Registrar, and in which the Investor expresses its wish to acquire, through Primary Distribution, a certain amount of the Notes and undertakes to pay the Issue Price (which, if relevant, may also be the Issue Price on the Additional Issue Date) for the number of Notes indicated in the Purchase Offer;
- 2.1.40. **Qualifying Purchase Offers** shall mean the Purchase Offers which have been submitted according to these Terms and which are decided by the Issuer to be satisfied either wholly or partially in accordance with these Terms;
- 2.1.41. **Redemption Price** shall mean the payment payable by the Issuer to the Investors upon the regular redemption of the Notes (i.e. on the Maturity Date) or early redemption of the Notes (i.e. on the Early Redemption Date or the Extraordinary Early Redemption Date), calculated in accordance with these Terms;
- 2.1.42. **Register** shall mean the register in which the Notes shall be registered as set out in the Final Terms;
- 2.1.43. **Registrar** shall mean the person operating the Register as set out in the Final Terms;
- 2.1.44. **Related Parties** shall mean the Issuer's shareholders, members of the Issuer's management board and supervisory board (if relevant) and legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control;

- loans granted by the Issuer to legal entities of which the Issuer is a majority shareholder or which are under the Issuer's control.
- 3.4.3. the Issuer undertakes to ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not borrow from third persons (including from Related Parties) and shall not grant loans to third persons (including to Related Parties) and the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not secure or guarantee any obligations of third persons, except for the following:
- 3.4.3.1. the establishment of the Collateral (i.e. claims pledge) in accordance with Section 12.1 of these Terms;
- 3.4.3.2. the loan described in Section 7.1 of these Terms;
- 3.4.3.3. the Intra-Group Loan;
- 3.4.4. the Issuer undertakes to ensure that all property management services outsourced by it or by the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall be outsourced at an arm's length and on market conditions;
- 3.4.5. Issuer shall ensure that its debt service coverage ratio on consolidated level shall not fall below 1.1;
- 3.4.6. subject to Section 7.6 of these Terms, the Issuer shall own 100% of share capital of the Latvian SPV (and after the Acquisition, but prior to the Merger, the Latvian SPV shall own 100% of share capital of the Target);
- 3.4.7. the Issuer shall ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not transfer the ownership of the Property to any third person nor conclude any agreements for such transfer of ownership;
- 3.4.8. the Issuer shall ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not encumber the Property owned by the latter with mortgages, except for the mortgages described in Section 3.4.3.1 of these Terms and except for establishment of the Collateral in accordance with Section 12.1 of these Terms;
- 3.4.9. the Issuer shall ensure establishment of the Collateral in accordance with Section 12.1 of these Terms and validity and enforceability of the Collateral in accordance with the Collateral Agreement;
- 3.4.10. the Issuer shall ensure that after its establishment the Collateral described in Section 2.1.7.2 and until the release of such Collateral the Property is properly insured at all times and undertakes within 10 Banking Days of the respective request by an Investor or the Collateral Agent to provide such Investor or the Collateral Agent with documents evidencing the insurance cover;

- 3.4.11. payments related to the principal outstanding on the Notes held by the Issuer shall be subordinated to the payments of principal due on Notes held by other Investors and shall be paid out only after all due and payable principal payments have been made in full to the other Investors;
- 3.4.12. when making payments related to the principal outstanding on the Notes held by the Issuer's Related Parties the Related Parties shall be treated equal to other Investors and shall in no way be preferred to other Investors;
- 3.4.13. the Issuer may not merge or demerge and shall ensure that the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target) shall not merge or demerge, except for the Merger;
- 3.4.14. The Issuer may deviate from the covenants set forth in this Section 3.4 of these Terms upon the consent of the Majority Investors.
- 3.5. The Issuer undertakes to provide the Investors and the Collateral Agent with the following information:
- 3.5.1. audited annual reports of the Issuer and the consolidation group by the end of the fourth month following the financial year for which the report is prepared, signed by the management board;
- 3.5.2. quarterly reports (comprising of the balance sheet as at the end of the reporting period and income statement for the reporting period) of the Issuer and the consolidation group by the end of the first month following the quarter for which the report is prepared, signed by the management board and/or the general manager and chief accountant (as appropriate);
- 3.5.3. together with the quarterly reports a confirmation that the covenant in Section 3.4.5 of these Terms is fulfilled, signed by the Issuer;
- 3.5.4. together with the quarterly reports statement regarding occurrence or non-occurrence of an Extraordinary Early Redemption Event, signed by the Issuer;
- 3.5.5. information on any new debt security issues within 5 Banking Days after the issue;
- 3.5.6. information on new share issues within 5 Banking Days after the issue;
- 3.5.7. information on changes in the shareholder structure and the management of the Issuer or the Latvian SPV stating name, surname and professional experience of a new member within 5 Banking Days after the change;
- 3.5.8. information on any court or arbitration proceedings pending or initiated against the Issuer or the Latvian SPV (and after the Acquisition, but prior to the Merger, the Target), where, according to reasonable assessment of the Issuer, an unfavourable decision could have material adverse impact on the economic condition of the Issuer;

- 4.3. The Investors shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms.
- 4.4. The Collateral Agent is not a party to the legal relationship between the Issuer and the Investors and is under no circumstances liable for the performance of the obligations of the Issuer.
- 4.5. 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 Investors without having any independent interests of its own (for the avoidance of doubt, 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 Section 13.1.1 of these Terms) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with these Terms the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Investors upon failure to obtain instructions from the Majority Investors, however the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Investors described in Section 12.3.2 of these Terms.
- 4.6. Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right at its own cost to use the services of third parties and to appoint third party representatives (including in the course of performance of its tasks and acts as stipulated in these Terms, including in the Collateral Agreement). 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, including the Collateral Agreement, Section 4.11 of the Terms is applicable.
- 4.7. Upon relevant request from the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Investors stating the outstanding Nominal Value of the Notes each of them is holding and their latest known e-mail addresses.
- 4.8. At the request of the Collateral Agent, the Investor shall provide the Collateral Agent with any information required by the latter for the purposes of identification of the Investor and/or for the performance of other obligations arising from applicable laws and regulations.
- 4.9. The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control or sphere of influence of the Collateral Agent.
- 4.10. The Collateral Agent is only liable for the breach of any of its obligations under the Terms, including the Collateral Agent Agreement or the Collateral

- Agreement, in the event of gross negligence or willful intent of the Collateral Agent. The liability of the Collateral Agent is limited to EUR 300,000,000 save in case of willful breach by the Collateral Agent of its obligations giving rise to the liability of the Collateral Agent.
- 4.11. The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under the Terms, including the Collateral Agreements, in accordance with the Collateral Agent Agreement. As regards the costs, the Issuer shall compensate to the Collateral Agent all payments made by the Collateral Agent to third parties for the purposes of establishment, amendment, termination and enforcement of the Collateral in accordance with the Terms and the Collateral Agreement (including, without limitation, state fees and taxes, other fees and payments established by laws and regulations, costs and expenses incurred by the Collateral Agent) as well as all damages incurred by the Collateral Agent in relation to the same.
- 4.12. The Collateral Agent shall have the right to withhold the performance of its duties and obligations in case of delay in payment of the relevant fees and costs as specified in Section 4.11 of these Terms. The Collateral Agent does not have a right to withhold the performance of its duties and obligations in case the Investors have compensated such fees and costs to the Collateral Agent. In the latter case the Issuer undertakes to compensate the relevant fees and costs to the relevant Investors.
- 4.13. The Collateral Agent has the right to terminate the Collateral Agent Agreement in case (a) the Collateral described in Section 2.1.7.1 of these Terms has not been established within the relevant term stipulated in Section 12.1 of these Terms and/or (b) the Collateral Agent withdraws from performance of the tasks set out in these Terms on grounds set out in Section 12.12 of these Terms. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of this Collateral Agent Agreement, except that the Collateral Agent shall return the prepaid monthly fees designated for the period starting from the month following the month when the Collateral Agent Agreement was terminated.
- 4.14. The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Issue.
- 4.15. The Collateral Agent acknowledges that it shall not have the right to advise the Issuer and/or Related Parties and to provide any services to the Issuer and/or Related Parties in any legal matters for as long as the Collateral Agent is performing its obligations under these Terms.
- 4.16. 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 following contact details and provided that those include reference to the Notes:

Notwithstanding provisions of this Section 7.4.1 of these Terms, provided that the financial covenants described in the loan agreement described in Section 7.1 of these Terms have been fulfilled properly, the Issuer shall be entitled without the written consent of the Bank to pay interest to the Investors in accordance with these Terms;

- 7.4.2. for the avoidance of doubt, despite the prohibition to make payments as described in Section 7.4.1 of these Terms and the prohibition to demand redemption as described in Section 7.4.7 of these Terms, any payment delay would be considered a breach of these Terms;
- 7.4.3. the Investors shall not initiate enforcement of the Collateral in accordance with these Terms without prior written consent from the Bank;
- 7.4.4. in the event of liquidation or bankruptcy of the Issuer, all liabilities of the Issuer arising from the Terms are settled after the claims of the Bank against the Issuer arising from the Subordination Agreement have been fully settled pursuant to applicable legislation (for the avoidance of doubt this does not affect the right of the Investors and the Collateral Agent to have their claims satisfied on account of the proceeds received from the enforcement of the Collateral in accordance with applicable law);
- 7.4.5. these Terms cannot be amended without the prior written consent of the Bank (however, if the amendment would not negatively affect the rights and obligations of the Bank, such approval shall not be unreasonably withheld by the Bank);
- 7.4.6. the Issuer shall not offer early redemption to the Investors without prior written consent of the Bank;
- 7.4.7. the Investors shall not demand redemption of the Notes (all or part of the outstanding Nominal Value of the Notes) neither on the Maturity Date, Early Redemption Date nor, if applicable, in case of occurrence of the Extraordinary Early Redemption Event without prior written consent from the Bank (for the avoidance of doubt, the Investors have a right to demand redemption of the notes on the Early Redemption Date or on the Extraordinary Early Redemption Date, if the Bank has granted its consent for the relevant redemption).
- 7.5. Upon receipt of a respective notification from the Issuer or the Bank that the payments under these Terms have been stopped in accordance with Section 7.4.1 of these Terms, the Collateral Agent shall immediately inform all Investors accordingly.
- 7.6. Within 45 days from the receipt of the notice described in Section 7.5 of these Terms the Investors shall have a right to propose to the Issuer to transfer the

shares in the Latvian SPV for a fee to a person designated by the Investors subject to a condition that all Notes shall be redeemed and all outstanding claims under these Terms shall be satisfied. The date when all Notes are redeemed shall be considered an Early Redemption Date. The Investors acknowledge that according to the loan agreement described in Section 7.1 of these Terms such transaction requires consent from the Bank. The Bank shall notify the Investors of its decision regarding granting of the consent within 30 days from receipt of the relevant proposal from the Investors. The Issuer shall have the right but not an obligation to transfer the shares to such third person.

7.7. If the Collateral Agent becomes aware that the claims are no longer subordinated in accordance with the Subordination Agreement, it immediately informs all Investors accordingly. Notwithstanding, the Collateral Agent has a right not to send such notification without having received a respective confirmation from the Bank.

8. PURCHASE OFFERS AND CONFIRMATIONS

- 8.1. To submit a Purchase Offer, the Investor must have a securities or other account, opened with the Register in its own name or in the name of its nominee.
- 8.2. The Purchase Offers shall be submitted in with the format and under the procedure set forth in these Terms and the Final Terms. The Purchase Offers shall be prepared in writing or, if the Register so requires, in another format reproducible in writing and suitable to the Registrar.
- 8.3. Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price (where relevant, the aggregate Issue Price on the Additional Issue Date) less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.
- 8.4. The Purchase Offer must contain the following information, unless otherwise stated in the Final Terms:
- 8.4.1. the Investor's or the nominee's name, personal identification code or register code and contact data (name of a contact person, address, telephone and e-mail addresses);
 - 8.4.2. the securities account and current account numbers of the Investor or its nominee;
 - 8.4.3. the date of submission of the Purchase Offer;
 - 8.4.4. the number of the Notes to be subscribed by the Investor;
 - 8.4.5. the aggregate Nominal Value of the Notes to be subscribed by the Investor; and
 - 8.4.6. the Investor's or the nominee's signature.
- 8.5. A Purchase Offer shall be considered valid, if submitted during the relevant Subscription Period, if drawn up substantially in the required form and

- to the Investors under these Terms, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
- 11.4. 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 Investors under these Terms will be decreased accordingly, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.
 - 11.5. To the extent the Collateral Agent receives any amount in payment of the Parallel Debt following its respective specific written claim made to the Issuer, the Collateral Agent shall transfer such amount to the Investors in accordance with these Terms.
 - 11.6. For the purpose of clarification, the Parallel Debt will become due and payable at the same time and to the same extent as the obligations of the Issuer to the Investors under these Terms become due and payable.
 - 11.7. The Parallel Debt may be transferred only to a successor of the Collateral Agent.

12. ESTABLISHMENT, RELEASE AND ENFORCEMENT OF THE COLLATERAL

- 12.1. For the purpose of constituting security for the due and punctual payment, discharge and performance of the Secured Obligations, the Collateral shall be established in favour of the Collateral Agent and in legal terms the Collateral serves as a security for the Secured Obligations of the Issuer towards the Collateral Agent. The Issuer shall conclude the relevant Collateral Agreement for establishment of the claims pledge referred to in Section 2.1.7.3 of these Terms and shall ensure that United Partners Property OÜ issues the guarantee referred to in Section 2.1.7.1 of these Terms latest on the last Banking Day prior to the first Payment Date. The Issuer shall ensure that the Target concludes the relevant Collateral Agreement for establishment of the mortgage referred to in Section 2.1.7.2 of these Terms immediately after the completion of the Acquisition and ensure that the referred mortgage is registered within 45 days from the completion of the Acquisition. If a Promissory Note is required to register the mortgage referred to in Section 2.1.7.2 of these Terms, the Issuer and the Collateral Agent shall conclude such Promissory Note in the form suitable to the relevant register. For the avoidance of doubt a Promissory Note does not constitute an independent or separate claim and the Collateral Agent may demand payment of any sum under a Promissory Note only in the amount and to the extent such equivalent sum has become due and payable under these Terms.

- 10.2. Interest shall be calculated on the Notes from the Issue Date up to and including the Maturity Date or, if the Notes are to be redeemed on the Early Redemption Date, up to and including the Early Redemption Date or, if the Notes are to be redeemed on the Extraordinary Early Redemption Date, up to and including the Extraordinary Early Redemption Date.

- 10.3. The Issuer shall transfer the interest payments to the current accounts of those Investors who, according to the Register information, hold the Notes at the end of the business day of the settlement system of the Register, 4 Banking Days before the relevant Interest Payment Date.

- 10.4. The interest payment on all Interest Payment Dates is determined according to the following formula:

10.4.1. $CPN = F \times C \times n / 360$ where;

10.4.2. CPN – value of interest in EUR;

10.4.3. F – Nominal Value as at the relevant Interest Payment Date;

10.4.4. C – annual interest rate payable on the Notes;

10.4.5. n – number of days since the Issue Date or the last Interest Payment Date calculated on 30-day month basis.

- 10.5. In case the Issuer does not pay timely any amount due under these Terms on the dates determined in accordance with these Terms, the Issuer shall be obliged to pay the Investors or, as the case may be, the Collateral Agent, default interest in the rate of 0,05% of the delayed amount per each delayed day.

11. PARALLEL DEBT

- 11.1. Notwithstanding any other provision of these Terms, for the purpose of ensuring and preserving the perfection and enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Investors and as a solidary creditor together with the Investors for the purposes of Estonian law (in Estonian: *solidaarvõltsaldaja*), sums equal to and in the currency of the total of each amount payable by the Issuer to each of the Investors (whether present or future and whether actual or contingent) under these Terms as and when the amount falls due for payment under these Terms.

- 11.2. The Collateral Agent shall be a solidary creditor (in Estonian: *solidaarvõltsaldaja*) (together with the Investors) of each and every obligation (whether present or future and whether actual or contingent) of the Issuer to the Investors or any of them and, accordingly, the Collateral Agent shall have its own independent right to demand performance by the Issuer of any of those obligations.

- 11.3. 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

proceedings of the Issuer or the Collateral Provider or for any other reason or (b) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under Section 13.1.1 of these Terms; and/or

12.12.2. in the professional opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason (except if the Collateral is released pursuant to Section 12.1 of these Terms).

12.13. In order to exercise its right of termination under Section 12.12 of these Terms, the Collateral Agent shall submit a respective written notice to the Issuer and all Investors. The duties and obligations of the Collateral Agent shall be deemed to have terminated from the moment when a new Collateral Agent designated by the Issuer and/or Majority Investors takes over the obligations of the old Collateral Agent, however, latest after three months have passed from the receipt of the relevant notice by the Issuer. For the avoidance of doubt, under the laws governing the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent may have an obligation to perform certain actions to release (discharge) the Collateral as a result of the termination under Section 12.12.

13. APPLICATION OF THE PROCEEDS FROM ENFORCEMENT OF THE COLLATERAL

13.1. The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:

13.1.1. as a first priority - to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees and valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent) related to performance of its duties by, or otherwise payable to, the Collateral Agent under these Terms, including the Collateral Agent Agreement and the Collateral Agreement, including but not limited to the establishment, amendment, termination and enforcement of the Collateral incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, provided that the fees, costs and expenses have occurred on reasonable market price;

13.1.2. as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in Section 13.1.1 of these Terms) - in payment of the claims of the Investors arising under these Terms of which the Issuer has informed the Collateral Agent in writing, including but not limited to the claims arising from the Notes.

13.2. The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Section 13.1.1 of these Terms and thereafter transfer the remaining proceeds

to the Investors for satisfying the claims under Section 13.1.2 of these Terms. The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Section 13.1 of these Terms to the relevant Collateral Provider.

13.3. In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under Section 13.1.1 of these Terms do not cover the claims under Section 13.1.2 of these Terms in full, the claims arising from the Notes shall be satisfied pro rata.

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

13.5. In case the Collateral Agent is required, under 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.

14. REDEMPTION AND EARLY REDEMPTION (CALL OPTION)

14.1. On the Maturity Date or, if applicable, on the Early Redemption Date the Notes shall be redeemed, i.e. the Redemption Price shall be paid to the Investors.

14.2. The Redemption Price to be paid to the Investor on the Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Maturity Date in accordance with Section 10 of these Terms and any other monies still owed to the Investor at the Maturity Date under these Terms.

14.3. The Issuer has the right to redeem all or partially the Notes (i.e. to redeem all or part of the outstanding Nominal Value of the Notes) on the Early Redemption Date. The Issuer shall notify the Investors in accordance with the Final Terms by post or e-mail of such wish before the Early Redemption Date by stating also the amount or extent of the redemption.

14.4. The Redemption Price to be paid to the Investor on the Early Redemption Date equals the portion of the Nominal Value as indicated in the notification sent to the Investors in accordance with the previous Section 14.3 of these Terms together with the unpaid interest accrued up to the relevant Early Redemption Date in accordance with Section 10 of these Terms.

14.5. The Redemption Price shall be paid to the Investors, who are the owners of the Notes according to the Register's information as at the end of the business day of the settlement system of the Register, 4 Banking Days before the Maturity Date or Early Redemption Date, as applicable.

notification about occurrence of the Extraordinary Early Redemption Event or (b) the Investor otherwise becomes aware of the occurrence of the Extraordinary Early Redemption Event. If at the time the claims under these Terms have been subordinated in accordance with Section 7 of these Terms, the Investor becomes entitled to submit the Extraordinary Early Redemption Application when the Bank grants the consent described in Section 7.4.6 of these Terms or when the claims are no longer subordinated in accordance with the Subordination Agreement, whichever takes place earlier.

15.5. The Investor shall lose the right to submit an Extraordinary Early Redemption Application in case the Investor has not submitted the Extraordinary Early Redemption Application within 2 months from the date the Investor became entitled to submit such Extraordinary Early Redemption Application under Section 15.4 of these Terms. In case of last sentence of Section 15.4 of these Terms the deadline for notification does not end before 2 months have passed from the granting of the consent described in Section 7.4.6 of these Terms or the notification described in Section 7.7 of these Terms respectively.

15.6. The Issuer shall immediately inform other Investors and the Collateral Agent of the Extraordinary Early Redemption Application filed by the Investor. The Issuer is not obligated to inform the Investors of the submission of the Extraordinary Early Redemption Application, if within 30 Banking Days prior to submission of such Extraordinary Early Redemption Application the Investors have been informed of submission of another Extraordinary Early Redemption Application.

15.7. Upon submission of the Extraordinary Early Redemption Application, the Issuer shall pay the Redemption Price for the Notes subject to extraordinary early redemption to the relevant Investor within 10 Banking Days after the receipt of the Extraordinary Early Redemption Application. The 10th Banking Day calculated from the day following the day of receipt of the Extraordinary Early Redemption Application shall be the Extraordinary Early Redemption Date with regard to the Notes subject to extraordinary early redemption. The Redemption Price payable to the Investor on the Extraordinary Early Redemption Date shall be determined following the rules set forth in Section 14.2 of these Terms and the payment of the Redemption Price shall be executed in accordance with the relevant rules set forth in Section 14 of these Terms to the Investor(s) requesting extraordinary early redemption.

15.8. If the Investor, who has submitted the Extraordinary Early Redemption Application, transfers, fully or partially, the Notes subject to extraordinary early redemption to another person before the time designated in Section 14.5 of these Terms, the Extraordinary Early Redemption Application shall be considered waived in respect of transferred Notes.

15.9. If the Majority Investors in accordance with Section 12.3.2 of the Terms have instructed the Collateral Agent to enforce the Collateral, all Notes shall be

subject to extraordinary early redemption and the date of submission of such decision by the Majority Investors shall be considered the Extraordinary Early Redemption Date with regard to all such Notes that have not yet matured.

15.10. Subject to Section 15.5 of these Terms, if the Investor does not use the right or remedy arising from the Notes, this shall not be deemed waiver of such right or remedy, and the separate or partial use of any of the rights or remedies shall not prevent further or repeated use of the respective right or remedy or the use of any other right or remedy. The rights and remedies applicable to the Notes are accruing and do not exclude any other rights or remedies established by law.

16. AMENDING THESE TERMS

16.1. These Terms can be amended pursuant to the procedure set forth in this Section.

16.2. The Issuer may apply for the consent of the Majority Investors to amend the Terms. To apply for the consent, the Issuer shall submit an application for the consent to the Investors, setting out at least the following information:

- 16.2.1. a description of the changes applied for;
- 16.2.2. a reason for the changes applied for;
- 16.2.3. the term within which the Investor can grant the consent to the Issuer or refuse to grant the consent;
- 16.2.4. instructions concerning notification about the granting of the consent to the Issuer or refusal to grant the consent;
- 16.2.5. a statement that the Investor who is willing to grant the consent to the Issuer should notify the Issuer about it within the term specified in the application, and if the Investor does not notify about the approval to grant the consent to the Issuer within the term specified in the application, the Investor shall be deemed as not having granted the consent;
- 16.2.6. contact details of the Issuer to be used for notification.

16.3. The term allowed for Investor to decide upon refusal to grant the consent to the Issuer may not be shorter than 14 Banking Days. Investor shall submit signed applications with their decision to the Issuer by a deadline set in an application. An amendment is deemed to be approved if Majority Investors have voted for granting the consent unless the Issuer decides to require higher threshold for approving the consent. If, upon receipt of consent from the Majority Investors, the Terms are amended, the Issuer undertakes within 10 Banking Days from adoption of the decision to offer Investors (other than Related Parties and the Issuer) who did not agree to grant their consent a possibility to redeem the Notes at the Redemption Price.

**ANNEX 1 TO THE TERMS AND CONDITIONS OF THE UPP (M AINER OÜ) SUBORDINATED
NOTE ISSUE DATED 31st OCTOBER 2017**

FINAL TERMS OF THE NOTES

DATED 31st OCTOBER 2017

1. GENERAL PROVISIONS

- 1.1. These Final Terms of the Notes (the **Final Terms**) constitute the specific terms and conditions of the Notes issued by the Issuer, under the Terms and Conditions of the UPP Olaines OÜ Note Issue Program dated 31st October 2017 (the **Terms**).
- 1.2. The Final Terms constitute an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used, which are defined in the Terms, shall have the same meanings in the Final Terms. In the event of inconsistency between the provisions of Final Terms and provisions of the Terms, the Final Terms shall prevail.
- 1.3. The Issuer is responsible for the adequacy, accuracy and completeness of the information provided for in these Final Terms.
- 1.4. The Notes offered under these Final Terms shall be subject to the terms specified in Section 2 of the Final Terms.

2. TERMS OF NOTES

1. Issuer: UPP OLAINES OÜ
2. Securities to be issued: Subordinated secured notes
3. Purpose of financing: Financing purchase of real estate by a subsidiary (through acquisition of a target company being the owner of the real estate)
4. Offering: Private placement within the meaning of Article 12(2) of the Securities Markets Act
6. Maximum Aggregate Nominal Value of the Issue: EUR 6,215,000.00. The Issuer shall have the right, until the Issue Date (including), to

increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.

7. Information on Notes

- 7.1 Currency of denomination: EUR
- 7.2 Nominal Value of a Note: EUR 1,000.00
- 7.3 Initial Subscription Period: 1 November 2017 until 8 November 2017
- 7.4 Additional Subscription Period: Any period(s) of time determined by the Issuer for the Additional Issue between the first Issue Date and the Final Issue Date
- 7.5 Issue Date: 10. November 2017
- 7.6 Additional Issue Date: Any Banking Day determined by the Issuer for issuing the Notes after the first Issue Date and on or before the Final Issue Date
- 7.7 Final Issue Date: 30. November 2017
- 7.8 Issue Price of a Note: EUR 1,000.00
- 7.9 Issue Price on the Additional Issue Date: as determined by the Issuer in the form for the Purchase Offer provided to Investors
- 7.10 Payment Date of the Issue Price: Issue Date
- 7.11 Payment Date of the Issue Price of the Additional Issue: as determined by the Issuer in the form for the Purchase Offer provided to Investors
- 7.12 Interest rate: 7% (30E/360)

ANNEX I TO THE FINAL TERMS OF THE NOTES

PURCHASE OFFER OF UPP OLAINES OÜ SUBORDINATED NOTES

The Issue of UPP Olaines OÜ Notes (the Notes) shall be made in accordance with and under the Terms and Conditions of the UPP Olaines OÜ Notes Issue dated 31st October 2017 (the Terms). This Purchase Offer is an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used in this Purchase Offer, which are defined in the Terms shall have the same meaning in this Purchase Offer.

SUMMARY OF TERMS AND CONDITIONS

Issuer:	UPP Olaines OÜ
Maximum Aggregate Nominal Value of the Issue:	EUR 6,215,000.00 during the whole Issue. The Issuer shall have the right, until the Issue Date (including), to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.
Nominal Value of a Note:	1,000.00
Issue Price of a Note:	EUR 1,000.00
Currency of denomination:	EUR
Interest rate:	7% (30E/360)
Interest Payment Date(s):	10. February, 10. May, 10. August and 10. November of each year, starting from 10. February 2017 (including). If an Interest Payment Date falls on a day that is not a Banking Day, interest shall be paid on the next Banking Day after the Interest Payment Date.
Securities to be issued:	Subordinated secured notes
Subscription Period:	1. November 2017 until 8. November 2017
Payment Date:	Issue Date

Issue Date

10 November 2017

Maturity Date

10 November 2022

Early redemption provisions

Subject to subordination, the Issuer has the right to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail.

Collateral:

Before establishment of the mortgage: guarantee

After the Acquisition: 3rd/4th rank mortgage (higher rank mortgages have been established for the benefit of the senior creditor)

PLACING PURCHASE OFFER

Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price or the Issue Price on the Additional Issue Date less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.

The Purchase Offer must be submitted by e-mail (info@unitedpartners.ee) to the Issuer at the latest by 12:00 (noon) (Estonian time) on 8. November 2017. The Investor shall retain the original copy of the Purchase Offer. A Purchase Offer shall be considered valid, if submitted during the Subscription Period, if drawn up substantially in the required form and substance, and if the Investor pays the amount indicated on the Confirmation by the established term. The Issuer may, at its sole discretion, treat as valid also Purchase Offers submitted after the Subscription Period, but before the Issue Date.

ALLOCATION OF THE ISSUE

The allocation of the Issue will be done in accordance with the Terms. For the avoidance of doubt, the Issuer has the sole discretion to decide upon the allocation of the Notes to the Investors.

ANNEX 2 TO THE FINAL TERMS OF THE NOTES

**PURCHASE OFFER OF UPP OLAINES OÜ SUBORDINATED NOTES
(ADDITIONAL ISSUE)**

The Issue of UPP Olaines OÜ Notes (the Notes) shall be made in accordance with and under the Terms and Conditions of the UPP Olaines OÜ Notes Issue dated 31st October 2017 (the Terms). This Purchase Offer is an inseparable part of the Terms and will at all times be interpreted and applied together with the Terms. Words and expressions used in this Purchase Offer, which are defined in the Terms shall have the same meaning in this Purchase Offer.

SUMMARY OF TERMS AND CONDITIONS

Issuer: UPP Olaines OÜ
Maximum Aggregate Nominal Value of the Issue: EUR 6,215,000.00. The Issuer shall have the right, until the Issue Date (including) to increase or decrease the Maximum Aggregate Nominal Value of the Issue or cancel the Issue. The Issuer shall have the right, after the Issue Date, to decrease the Maximum Aggregate Nominal Value of the Issue.
Nominal Value of a Note: 1,000.00
Issue Price of a Note on the Additional Issue Date: EUR [number]
Currency of denomination: EUR
Interest rate: 7% (30E/360)
Interest Payment Date(s): 10. February, 10. May, 10. August and 10. November of each year, starting from 10. February (including). If an Interest Payment Date falls on a day that is not a Banking Day, interest shall be paid on the next Banking Day after the Interest Payment Date.
Securities to be issued: Subordinated secured notes
Additional Subscription Period: [date] until [date (earliest 5th Business Day from the start of the Additional Subscription Period and latest last

Banking Day before the Payment Date (which may be on or before the Additional Issue Date))

Payment Date
Additional Issue Date: [date (latest the Additional Issue Date)]
[date]

10. November 2022

The Issuer has the right to redeem all or part of the Notes for the Nominal Value of the Notes and accrued interest any time after 10. November 2021, subject to at least 10 Banking Days advance notice to the Investors by post or e-mail.
Before the establishment of the mortgage: guarantee

Collateral:
After the Acquisition: 3rd/4th rank mortgage (higher rank mortgages have been established for the benefit of the senior creditor)

PLACING PURCHASE OFFER

Purchase Offer for subscribing to the Notes by an Investor with the aggregate Issue Price or the Issue Price on the Additional Issue Date less than EUR 100,000.00 shall not be accepted in the Primary Distribution without the express consent of the Issuer otherwise.

The Purchase Offer must be submitted by e-mail (info@unitedpartners.ee) to the Issuer at the latest by 12:00 (noon) (it must be ensured that the Issuer can send out the Confirmation latest by 16:30 on the last Banking Day before the Payment Date (which may be on or before the Issue Date)) (Estonian time) on [date (latest the last Banking Day before the Payment Date (which may be on or before the Issue Date))]. The Investor shall retain the original copy of the Purchase Offer. A Purchase Offer shall be considered valid, if submitted during the Subscription Period, if drawn up substantially in the required form and substance, and if the Investor pays the amount indicated on the Confirmation by the established term. The Issuer may, at its sole discretion, treat as valid also Purchase Offers submitted after the Subscription Period, but before the Issue Date.

E-mail	
Securities account No	
Current account No	
Owner of the securities account and current account	

ANNEX 3 TO THE FINAL TERMS OF THE NOTES

CONFIRMATION BY UPP OLAINES OÜ¹

DATED [date] 2017

Date: _____ **Name and signature:** _____

This Confirmation is an inseparable part of the 10. November 2017 Issue of Notes under the Terms of the UPP Olaines OÜ Notes Issue dated 1. November 2017 (Terms) and will at all times be interpreted and applied together with the Terms. The terms and definitions used in this Confirmation shall bear the same meaning as the terms and definitions in the Terms (unless clearly indicated otherwise).

We would hereby like to inform you that we [accept / partially accept / reject] your Purchase Offer of the Notes on the following terms and conditions:

Investor:	[name]
Number of Notes subscribed for by the Investor:	[number]
Number of Notes to be sold to Investor:	[number]
Issue Date:	[date]
Issue Price of a Note:	EUR [number]
Sum of the Issue Prices of the Notes to be sold to the Investor (i.e. the amount to be paid by Investor):	EUR [number]

We kindly ask you to transfer the sum to be paid for the Notes (i.e. EUR [number]) to the bank account of the Issuer in [bank] (IBAN: [IBAN]; SWIFT/BIC: [SWIFT/BIC]) latest by [time (latest 11:00 (11am))] (Estonian time) on [date (latest the Issue Date)] 2017 (Payment Date).

Thank you in advance,

UPP Olaines OÜ



¹ To be submitted to the Investors latest on 16:30 on the last Banking Day before the Payment Date (which may be on or before the Issue Date) in accordance with [redacted] of the Terms.

3) Instructions which are hereby given by the Issuer to the Collateral Agent are irrevocable. The Issuer shall have no right to unilaterally amend, revoke or withdraw any such instructions on any grounds, including by way of termination of this Collateral Agent Agreement or otherwise, unless this Collateral Agent Agreement explicitly provides otherwise.

3. FUNCTIONS AND OBLIGATIONS OF THE COLLATERAL AGENT

- 3.1. The scope of functions and obligations of the Collateral Agent are limited to those expressly specified in the Terms, including in the Collateral Agreement.
- 3.2. The Collateral Agent is not a party to the legal relationship to be established between the Issuer and the Investors and is under no circumstances liable for the performance of the obligations of the Issuer towards the Investors.
- 3.3. Upon the performance of its obligations and exercising its rights the Collateral Agent shall act in accordance with the Terms at its own discretion in the interests and on the account of the Investors without having any independent interests of its own (for the avoidance of doubt, except for the right of the Collateral Agent to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent as specified in Section 13.1.1 of the Terms) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with the Terms the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Investors upon failure to obtain instructions from the Majority Investors, however the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Investors described in Section 12.3.2 of the Terms.

3.4. The Issuer hereby confirms that the performance of the aforementioned actions in the aforementioned manner constitutes the essence of the instructions given by the Issuer to the Collateral Agent and therefore, the performance of the aforementioned actions does not and will not constitute a conflict of interest with regard to the Issuer, irrespective of the results of such actions with respect to the Issuer.

3.5. The Collateral Agent shall not be liable for the outcome of the enforcement of the Collateral that are outside the control or sphere of influence of the Collateral Agent.

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ANNEX 2 TO THE TERMS AND CONDITIONS IN THE UPP (M A I N S O U) NUMERATED NOTE ISSUE DATED 31st OCTOBER 2017 (the "Terms")

COLLATERAL AGENT AGREEMENT

DATED 31st OCTOBER 2017

This collateral agent agreement (the "Collateral Agent Agreement") has been entered into by and between:

- (a) UPP Olaines OÜ, registry code 14318601, address Pärnu mnt 141, Tallinn, 11314, Estonia (the "Issuer"), represented by member of the management board Hallar Loogna; and
- (b) Law Office Eversheds Sutherland Bīāns, VAT registry code 90000816224, address: 20a Lāčplēša Street, Rīga, LV-1011, Latvia (the "Collateral Agent"), represented by Managing Partner Agris Bīāns

(hereinafter referred to collectively as the „Parties” and individually as a „Party”), whereas the Parties have agreed as follows:

1. DEFINITIONS

1.1. Definitions in this Collateral Agent Agreement shall have the same meaning as in the Terms.

2. OBJECT OF THE AGREEMENT

2.1. The Issuer hereby instructs the Collateral Agent to perform the tasks set out in the Terms of the Collateral Agent for the benefit of the Investors and to exercise the rights of the Collateral Agent set out in the Terms, including in this Collateral Agent Agreement and in the Collateral Agreement. In consideration for the above the Issuer undertakes to pay the Collateral Agent the fees as set out in this Collateral Agent Agreement.

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7.2. Each Party may amend or change its address or other contacts provided in Section 8.1 by making a respective written notice to another Party.

8. NOTICES

8.1. Notices and documents sent to the other Party shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth below and provided that those include reference to the Notes.

8.2. All notices are deemed received in accordance with Section 17.5 of the Terms.

8.3. The addresses and contacts of the Parties are as follows:



Issuer: UPP Olaines OÜ
 Address: Pärnu mnt 141, Tallinn, 11314, Estonia
 Phone: +372 6616 450
 E-mail: info@unitedpartners.ee
 Attn: Hallar Loogma/Kevin Soon

Collateral Agent: Law Office Eversheds Sutherland Bitiāns
 Address: 20a Lāčplēša Street, 6th floor, Riga, LV-1011, Latvia
 Phone: +371 6728 0102
 E-mail: birojs@eversheds-sutherland.lv
 Attn: Māris Vainovskis

9. FINAL PROVISIONS

9.1. Should any of the provisions contained in this Collateral Agent Agreement prove to be inconsistent with law or invalid the Parties shall make their best efforts to replace such invalid provision with a valid one closest in the meaning to the original provision.

9.2. This Collateral Agent Agreement shall be governed by the laws of Estonia. Any disputes arising from this Agreement shall be settled in Harju County Court (in Estonian: Harju Maakohus).

<p>Issuer:</p>  <p>Hallar Loogma CEO</p>	<p>Collateral Agent:</p>  <p>Agris Bitiāns Managing Partner</p>
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UPP Olaines OÜ Subordinated Note Issue 10.11.2022 subscription application

ISSUE TERMS

Issuer: UPP Olaines 53 OÜ
Number of bonds issued: up to 6 215
Nominal value: 1 000 euros
Issue value: 1 000 euros
Maturity: 5 years (10.11.2017-10.11.2022)
Coupon rate: 7.0% (30/360), paid quarterly
Early redemption: by the issuer after 4th anniversary (10.11.2021)
Subscription period: 01.11.2017 - 08.11.2017 by 16.00 (Estonian time)
Payment: 10.11.2017 by 12.00 (Estonian time)

APPLICANT INFORMATION

Name: _____
Social security/register number: _____
Phone: _____
E-mail: _____
Current account number: _____
Nasdaq CSD securities account no.: _____
Number of bonds subscribed: _____

Subscription application shall be deemed to be accepted, the Bonds subscribed, and the Investor's rights and obligations arisen, when the Agent sends the Investor a corresponding subscription confirmation.

Signature _____

Name:

Date:

Sajā dokumentā kopā
caurakļiots un aizziņogots/
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numbered

(Rostropovskij) / (Lepkova)

Numurētas lapas/pages 21. 1. 2019

