

Company AS LHV Group  
Type Company Release  
Category Issue of new shares  
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Currency

Title Outcome of subscription to LHV Group share offering

On Wednesday, 25 September 2019, the public offering of up to 2,200,000 new shares of AS LHV Group in the form of pre-emptive subscription concluded. 3,789 investors participated in the subscription, subscribing to the offered shares for EUR 32.4 million in total.

The subscription period commenced on 11 September 2019 at 10.00 and concluded on 25 September 2019 at 16.00. The price of one share on offer was EUR 11.50, EUR 1 of which was the nominal value and EUR 10.50 was the share premium.

The Supervisory Board of LHV decided the allocation of shares; 2,200,000 new shares will be issued and allocated within the offering. As a result of issuing new shares, the size of the share capital of LHV in the Estonian Commercial Register, after registering the increasing of the share capital, will be EUR 28,454,079, and the total number of voting rights represented with shares will be 28,454,079.

In accordance with the prospectus, the Supervisory Board of LHV decided the allocation of the offered shares pursuant to the following principles:

- \* The offered shares were only allocated to persons who had at least one pre-emptive subscription right for LHV shares pursuant to the Nasdaq CSD settlement system as of the end of the business day of 25 September 2019 (Day of Fixation), all other orders were cancelled;
- \* All subscription orders of the same subscriber were summed up;
- \* All subscribers who owned the same number of pre-emptive subscription rights as the number of offered shares that they subscribed to on the Day of Fixation by the corresponding person, were allocated the shares that they subscribed to in full (Guaranteed Allocation);
- \* Within the Guaranteed Allocation, 2,043,946 shares were allocated to 3,602 investors, which constitutes 93% of the total offer volume;
- \* All subscribers that subscribed to more offered shares than they had pre-emptive subscription rights for, were allocated shares in proportion to the number of pre-emptive subscription rights they had (as far as was



mathematically possible), but not more than the number of offered shares the person subscribed to (Additional Allocation);

- \* Within the Additional Allocation, 156,054 offered shares were allocated to 1,479 investors, which constitutes 7% of the total offer volume.

"LHV shareholders showed high interest in the share issue directed at existing shareholders. 3,377 existing shareholders participated in the issue and subscribed to a total of EUR 24.7 million worth of new shares. At the same time, pre-emptive subscription rights were separately tradeable, which is why new investors were also able to participate in the issue through purchasing subscription rights; they subscribed to a total of EUR 7.8 million worth of shares. We took a strong step forward in increasing our business volumes," Madis Toomsalu, CEO of LHV Group commented.

LHV will use the capital raised from investors for increasing business volumes in the composition of Tier 1 own funds, including for the acquisition planned by LHV Pank of the unit consisting of the Estonian private loan portfolio of Danske Bank.

New shares will presumably be transferred to the securities accounts of investors on 1 October 2019 or a date near to that (during the settlement, new shares will bear a temporary ISIN code). New shares will be listed and trading with these on the main list of the Nasdaq Tallinn Stock Exchange will commence on 14 October or a date near to that, after increasing of the share capital of LHV has been registered in the Estonian Commercial Register.

LHV Group is the largest domestic financial group and capital provider in Estonia. LHV Group's key subsidiaries are LHV Pank and LHV Varahaldus. LHV employs over 420 people. LHV's banking services are used by 185,000 clients, and pension funds managed by LHV have 177,000 active clients.

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