



Longo Group
Announcement from First North

Longo group's bond issue exceeds the target by 21%, demand reaches 12.1 million euros

AS Longo Group, the largest used car retailer in the Baltic region, has successfully raised EUR 10 million in a public bond offering with a fixed interest rate of 10%. Total demand for the bonds was higher at 12.1 million euros from more than 700 retail and institutional investors, exceeding the initial offering target by 21%.

AS Longo Group bonds attracted significant interest from both new and existing investors, with EUR 7.5 million contributed by new investors and EUR 4.6 million through the exchange offer. A total of 72% of the Group's existing bondholders opted to exchange their current bonds for those from the new issuance. This strong response from existing and new investors highlights the confidence in the company's strategic direction and its sustainable business model.

In terms of investment volume, 85% of the total demand was generated by Latvian investors, 9% by Estonian investors, and 6% by Lithuanian investors. However, when looking at the number of orders, Estonian investors demonstrated the highest activity, accounting for half of all orders, followed by 44% from Latvian investors and 6% from Lithuanian investors.

Edgars Cērps, Chairman of the Management Board and CEO of AS Longo Group: "The successful results of bond offering reflect not only the strength of AS Longo Group's foundation but also the growing interest of the opportunities within used car retail sector. We highly appreciate the trust and confidence of our investors and are dedicated to driving positive change in our sector, while continuing to deliver attractive and consistent returns."

"The strong demand for AS Longo Group bonds demonstrates both the trust of existing investors, as well as high interest from new investors. More than 70% of existing bondholders chose to exchange their existing bonds to the new bonds, which is an excellent result. We are always delighted to welcome newcomers to the investor community, especially those for whom this is their first experience with bonds. It's exciting to see more people taking their first steps into the world of investments," says **Kristiāna Janvare, the Managing Director of Investment Banking of AS Signet Bank.**

Due to oversubscription, the bonds were allocated to investors, according to the following principles: 1) all existing bondholders who participated in the exchange offer received a full allocation, observing the exchange ratio; 2) The Issuer decided to grant all investors with an investment of up to EUR 5,000 a full allocation to participate in all levels of the Investor Loyalty Program. The remaining part of the orders was allocated by the Issuer with the goal to create a solid, diversified and reliable investor base.

The proceeds from the bond offering will be used to refinance existing liabilities and to finance

AS Longo Group's growth plans through investments in new car stock and expansion of sales network.

Application for the Loyalty Program

Starting from December 29, we kindly invite investors who have invested EUR 500 or more to apply for the AS Longo Group investor Loyalty Program on the company's website www.longo.group

During the offering, AS Longo Group also offered its existing investors of bonds maturing in the end of November 2024 (ISIN LV0000860062) and in June 2025 (ISIN LV0000860096) to exchange their bonds for the new bonds. Of the total capital raised, EUR 4.6 million was contributed by existing investors who opted to participate in the exchange offer. As a result, the volume of bond issue (ISIN LV0000860096) will be reduced to EUR 1,117,000 and bond issue (LV0000860062) volume will be reduced to EUR 700,000 with the respective bonds set to be redeemed upon maturity on November 30, 2024.

After the issue date, AS Longo Group will apply to Nasdaq Riga for admitting the bonds to listing and trading on the Regulated market – the Baltic Bond list.

The bonds will be settled on 29 November, 2024. Bondholders will receive a monthly coupon payment (interest), the first coupon payment will take place on 31 December, 2024.

The arranger of this bond issue is AS Signet Bank, whereas the legal counsel is ZAB Eversheds Sutherland Bitāns SIA. Sorainen ZAB SIA acts as collateral agent.

Notice on early redemption of outstanding bonds

Additionally, the Issuer announces the decision to execute a call option with respect to the bond issue with ISIN code LV0000860096 on 31 December 2024, with the record date on 30 December 2024. According to the Terms of the Issue, those LV0000860096 bondholders who did not participate in the exchange offer, will receive 101% of the nominal value of their bonds together with accrued and unpaid interest.

About AS Longo Group

AS Longo Group is the largest used car retailer in the Baltic region, providing the most extensive selection of vehicles. Established in 2018, Longo employs over 140 professionals and reached a remarkable revenue of 47.8 million euros in 2023. The headquarters are in Latvia, from which AS Longo Group manages 9 subsidiaries across Lithuania, Estonia, Poland, the Netherlands, Belgium, and Germany. Since the inception, Longo mission has been to establish a new standard of quality within the used car retail sector in the Baltic region, ensuring a transparent, reliable, and outstanding car-buying experience for customers, both online and in-person.

AS Longo Group growth has been recognized by the [Financial Times](#) and included in the FT 1000 list of Europe's fastest-growing companies for 2024, ranking 1st among Latvian companies and 10th in the European automotive sector.

Disclaimer: This announcement is an unpaid marketing communication in accordance with the Prospectus Regulation and does not constitute investment advice or an offer. The information provided herein contains statements on the Public Offering of bonds of AS Longo Group. Every investment decision must be based on a prospectus approved by the Bank of Latvia. An approved prospectus is available on Bank of Latvia website (<https://bank.lv>).

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