



# **Base Prospectus**

**mentos**

Dated 07.09.2023

### **SIA Mintos Finance No.1**

*(incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203387618 and LEI: 984500B4065C92C4FC69)*

### **EUR 60,000,000.00 Note Programme**

Under this Programme, the Issuer may from time to time issue Notes denominated in any currency as determined by the Issuer. The Notes will be distributed by way of a public offer.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions applicable to the Notes and not contained in this Base Prospectus will be set out in the applicable Final Terms.

Notes will be issued in registered form. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 60,000,000.00 (or its equivalent in other currencies).

Any payment under the Notes is dependent on, and limited to, a pool of certain Loans.

This Base Prospectus has been approved as a base prospectus by the NCA, as competent authority under the Prospectus Regulation. The NCA has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the appropriateness and suitability of investing in the Notes.

The public offer of the Notes is made only in Latvia, France, Germany, Italy, Spain, and Poland under this Base Prospectus.

During the validity period of this Base Prospectus the Issuer plans to request that the NCA provides competent authorities under the Prospectus Regulation in Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Iceland, Ireland, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Romania, Slovakia, Slovenia, and Sweden with a certificate of approval attesting that this Base Prospectus has been drawn up following the Prospectus Regulation. When such a certificate shall be obtained it will be permitted to make the public offer under this Base Prospectus in other Member States, and the Issuer shall ensure that Mintos provides information about it on the Platform. Such certificate, if and when received, should not be considered as an endorsement of the Issuer or the quality of the Notes.

This Base Prospectus will be valid for a period of up to 12 months after its approval by the NCA. In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. The obligation to prepare a supplement to this Base Prospectus or publish a new Base Prospectus in the event of any significant new factor, material mistake or inaccuracy will cease to apply upon the expiry of the validity period of this Base Prospectus.

This Base Prospectus according to the Article 8 (11) of the Prospectus Regulation is succeeding base prospectus to the initial base prospectus (approved by NCA on 20.09.2022., and related to the Lending

Company; programme limit in EUR currency). The form of the final terms from the initial base prospectus is similar to the final terms form under this Base Prospectus and can be found in Section '14. APPLICABLE FINAL TERMS'.

All the final terms (i) created under the initial base prospectus and (ii) with the maturity date exceeding the validity term of the initial base prospectus, and (iii) available on the Platform, are relevant for the continuing offer under this Base Prospectus.

**The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed in the section entitled '2. RISK FACTORS' of this Base Prospectus.**

**Capitalised terms used in this Base Prospectus have the meaning given to them in the section entitled 'GLOSSARY' of this Base Prospectus.**

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## GLOSSARY

<b>API</b>	application programming interface to exchange and transmit information and data in a structured form between the Issuer, the Lending Company and Mintos.
<b>Backup Servicer</b>	the legal entity (if any) engaged by the Issuer to service and administer the Loans.
<b>Base Prospectus</b>	this base prospectus.
<b>Borrower</b>	the debtor or debtors of a Borrower's Loan.
<b>Borrower's Loan</b>	the principal amount outstanding under a Borrower's Loan Agreement.
<b>Borrower's Loan Agreement</b>	each credit (loan) contract between the Lending Company as the lender and a Borrower as specified in applicable SPV Loan Agreement and Final Terms,
<b>Buyback Obligation</b>	has the meaning set out in the section entitled '4. TRANSACTION OVERVIEW – THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – The Buyback Obligation' of this Base Prospectus.
<b>Cooperation Agreement</b>	the cooperation agreement between the Issuer, the Lending Company, SPV and Mintos in relation to the Notes, and in relation to the notes issued under other programmes.
<b>Cooperation Agreement on Issuance of Loans (also referred to as the "Credit Line Agreement")</b>	the credit line agreement No. LVMM/06-07-2022-153 between the Lending Company as a borrower and SPV as a lender whereby the said parties agree on how SPV Loan Agreements are concluded and on the terms and conditions of disbursement and repayment of the Loans issued to the Lending Company thereunder.
<b>Eleving Group</b>	the Guarantor and any of its subsidiaries.
<b>Final Terms</b>	any duly completed final terms in the form set out in section 14 of this Base Prospectus.
<b>Guarantee Agreement</b>	the guarantee agreement whereby the Guarantor guarantees to the Issuer and/c Lender the performance of Lending Company's obligations arising from th Transaction Documents.
<b>Guarantor</b>	<b>Eleving Group</b> (formerly Mogo Finance S.A.), a public limited liability company (société anonyme) incorporated on 21 January 2013 and existing

under the laws of the Grand Duchy of Luxembourg, registered with Luxembourg trade and companies register (Registre de Commerce et des Sociétés de Luxembourg) under number B.174457 and having its registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg.

<b>Investment Accounts</b>	the separate accounts at Mintos of the Investor.
<b>Investor</b>	a person registered and accepted on the Platform as an investor.
<b>Issuer</b>	<b>SIA Mintos Finance No.1</b> , incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203387618 and registered address at Skanstes street 52, Riga, LV-1013, Latvia, a special purpose entity whose principal purpose is the issue of Notes and other financial instruments with respect to loans issued by lending companies affiliated to the Lending Company.
<b>Issuer's Account</b>	the cash funds account of the Issuer opened with Mintos which is used solely for settling payments with the Lending Company, the Backup Servicer (if any), the Guarantor (if any) and the Investors.
<b>Lending Company</b>	<b>"MOGO" Universal Credit Organization Limited Liability Company</b> , a limited liability company established on 23.06.2017 and existing under the laws of Republic of Armenia with state registration number 42, and registered address Republic of Armenia, Yerevan, Vardanants street, building 18/2, area 4,5,6.
<b>Loan</b>	the principal amount outstanding under the SPV Loan Agreement.
<b>Loan Receivables</b>	the receivables under the SPV Loan Agreement relating to the Loan that are assigned and to the extent that they are assigned to the Issuer under the Purchase Agreement.
<b>Mintos</b>	AS Mintos Marketplace, a joint stock company registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia under unified registration number 40103903643 on 1 June 2015, having registered address 50 Skanstes Street, Riga, LV-1013, Latvia, an investment firm authorised by the NCA, which provides investment and related services to Investors through the Platform.
<b>Mintos Group</b>	AS Mintos Holdings, a joint stock company registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia under unified registration number 40103902690 on 27 May 2015, and any of its subsidiaries.

<b>NCA</b>	until December 31, 2022 the Financial and Capital Market Commission, competent authority under the Prospectus Regulation. Starting from January 1, 2023 the Bank of Latvia (in Latvian: Latvijas Banka), national competent authority and the competent authority supervising investment services in the Republic of Latvia ( <a href="https://www.bank.lv">https://www.bank.lv</a> ), and as competent authority under the Prospectus Regulation.
<b>Notes</b>	the notes issued or to be issued under this Programme.
<b>Noteholder</b>	the holder for the time being of any Note.
<b>Platform</b>	sites created and serviced by Mintos, merged under the domain name <a href="http://www.mintos.com">www.mintos.com</a> and software application to access it from a smartphone.
<b>Pledge Agreement</b>	the pledge agreement entered into by and between the Lending Company as pledgor and the SPV as pledgee to secure obligations of the Lending Company arising out of the Cooperation Agreement on Issuance of Loans.
<b>Purchase Agreement</b>	part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the SPV of the Loans.
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and includes any commission delegated regulation under the Prospectus Regulation.
<b>Programme</b>	this EUR 60,000,000.00 Note Programme.
<b>Repurchase</b>	has the meanings set out in the section entitled '4. TRANSACTION OVERVIEW – <i>THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – Exercising of Repurchase</i> ' of this Base Prospectus.
<b>Securities Act</b>	the United States Securities Act of 1933, as amended.
<b>Series</b>	a series of Notes.
<b>SPV Loan Agreement</b>	each loan agreement concluded in line with the Cooperation Agreement on Issuance of Loans between the Lending Company as a borrower and the SPV as a lender as specified in the applicable Final Terms. In the Cooperation Agreement on Issuance of Loans the SPV Loan Agreement is defined as the "Disbursement Agreement".

<b>SPV or Lender</b>	Mintos Finance Estonia OÜ, a private limited liability company existing under the laws of the Republic of Estonia, registration number 12807141, having its registered address at Harju maakond, Tallinn, Haabersti linnaosa, Meistri tn 14, 13517, Estonia.
<b>Transaction Documents</b>	the Cooperation Agreement, the Cooperation Agreement on Issuance of Loans, SPV Loan Agreements, the Transfer Documents, the Pledge Agreement, and the Guarantee Agreement.
<b>Transfer Document</b>	the document generated by Mintos evidencing the transfer of Loan Receivables from the SPV to the Issuer in accordance with the Purchase Agreement.



## 1. GENERAL DESCRIPTION

### ○ What is Mintos?

Mintos established an online platform for investing in loans in 2015. Through the Platform, owned and operated by Mintos, Mintos provides investors with convenient means to invest in loans issued by various lending companies around the world. In May 2022 on the Platform investments in loans were started being offered via financial instruments called notes.

At the end of December 2022, Mintos has over 500,000 registered users, and Mintos is working with more than 59 lending companies from 23 countries, offering investment opportunities in 3 currencies.

Since Mintos was founded, investors through the Platform have invested more than EUR 8.5 billion.

Mintos is authorized as an investment firm by the NCA. See the section entitled '6. MINTOS' of this Base Prospectus for more information.

### ○ What are Notes?

Notes are financial instruments issued by the Issuer via Mintos to Investors, which allows Investors to invest in Loans issued by the SPV to the Lending Company, which such Loans are linked to Borrowers' Loans issued by the Lending Company to the Borrowers.

The Issuer is a special purpose legal entity established for the purpose of:

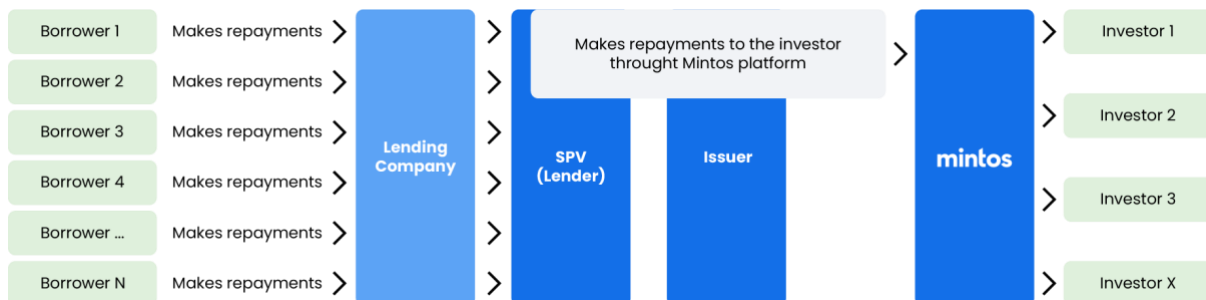
- purchasing Loan Receivables from the SPV;
- pooling those Loan Receivables for a particular Series of Notes; and
- issuing those Notes to Investors via Mintos.

The Issuer may issue financial instruments (notes) in cooperation with lending companies which are affiliates of the Lending Company.

See the sections entitled '5. THE ISSUER' and '8. THE LENDING COMPANY' of this Base Prospectus for more information.

### ○ *The flow of funds for repayment*

Each time a Borrower makes repayments to the Lending Company, the Lending Company makes repayments to the SPV and, upon receipt of repayments from the Lending Company, the SPV transfers the funds to the Issuer, which in turn makes repayments under the relevant Series of Notes to the relevant Investor via Mintos. The repayments are received into the relevant Investment Account.



This means that if the Borrower makes:

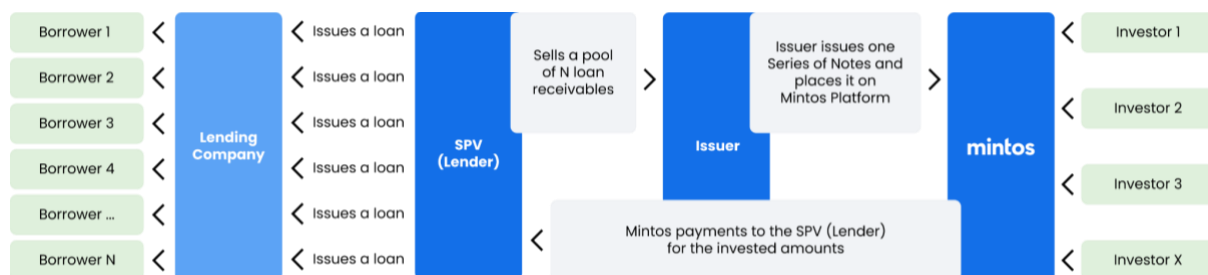
- the repayments to the Lending Company later than scheduled, the repayments to the Investor will also be correspondingly delayed; and
- no repayments at all and the Lending Company is not able to recover anything from the Borrower or repay the Loan from other means, no repayments will be received by the Investor.

Because the Loan is a loan that is issued to the Lending Company and not to the Borrower, the Lending Company is obliged to repay the Loan and pay interest and other ancillary payments with respect to it by the maturity date set forth in the Final Terms for the respective Loan or as extended according to this Base Prospectus and Final Terms, if extended, irrespective of the Borrower having or not having made payment under the Borrower’s Loan Agreement.

The Lending Company provides a Buyback Obligation for Loan Receivables, which means that if any repayment by the Borrower is delayed by more than 60 days, the Lending Company is obliged to repurchase the Loan Receivables together with any interest from the Issuer or to repay the Loan together with any interest to the SPV in full and then the SPV would transfer the received payments to the Issuer. In this situation, the Investor is exposed to the credit risk of the Lending Company. See section entitled ‘2. RISK FACTORS – RISKS SPECIFIC TO LOAN SERVICING – Insolvency of the Lending Company’.

- *The flow of funds for investment*

The Lending Company issues Loans to Borrowers, then requests disbursement of a loan from the SPV in an amount that is no more than 95% of the principal amount of each Borrower’s Loan, and then the SPV sells the relevant Loan Receivables to the Issuer. The Issuer issues a Series of Notes corresponding to these Loan Receivables to Investors via Mintos. When an Investor purchases any Note of the Series, the Investment Accounts are credited with the Note and debited with the purchase price of the Note. The purchase price is transferred to the SPV. After receipt of the purchase price the SPV makes the disbursement of the Loan to the Lending Company.



## 2. RISK FACTORS

The Issuer believes that the factors listed in this section of the Base Prospectus may affect its ability to fulfil its obligations under the Notes. All of these risk factors and events are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, the potential significance of the risks or the scope of any potential negative impact to the Issuer's, the SPV's or the Lending Company's business, financial condition, results of operations and prospects. The Issuer, SPV and/or the Lending Company may face a number of these risks described below simultaneously. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

The Issuer believes that the factors described below represent the material risks inherent to investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes or the inability of the SPV to pay any amounts to the Issuer and/or the inability of the Lending Company to pay any amounts to the SPV may occur for other reasons and the statements below regarding the risks of investing in any Notes are not exhaustive. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer, or that the Issuer at the date of this Base Prospectus deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's, SPV's or the Lending Company's business, financial condition, results of operations and prospects. Prospective investors should carefully review the entire Base Prospectus and should form their own views before making an investment decision with respect to the Notes.

Before making an investment decision with respect to any Notes, prospective investors should consult their own lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

### RISKS SPECIFIC TO THE UNDERLYING LOANS

#### 1. **The Borrowers may not make payments according to the agreed schedule or may default on their obligations altogether**

The Notes are linked to the pool of underlying Loan Receivables, and the Loan Receivables are each linked to one Borrower's Loan which means that if any of the Borrowers of the linked Borrower's Loans do not make a payment on time, given that the Borrower's Loan is the source of making payments by the Lending Company to the SPV under the SPV Loan Agreement, then the Noteholder has a risk not to receive a payment on time. For example, if a Borrower makes a repayment a week later than the agreed schedule, the Noteholder will also receive the repayment a week later.

The SPV may decide to offer additional compensation to the Noteholder in the form of interest income on delayed payments or penalty income that it receives from the Lending Company for its delay of making payments. A Borrower's Loan Agreement with the Borrower may contain a grace period, which is a period immediately after a scheduled payment date during which a late fee is waived provided that the obligation is satisfied during the grace period. If there is such a grace period for the Borrower's Loan, it will be applied in the same manner to the respective

Loan. Interest income on delayed payments and penalty income would not be paid to the Noteholder for the grace period.

The Loan Receivables come with the feature of Buyback Obligation which means that the Lending Company is obligated to repurchase the Loan Receivables if the Borrower has failed to pay more than 60 days after the scheduled repayment date. While this feature could reduce the potential loss for the Noteholder due to the Borrower failing to make repayments, the Buyback Obligation is only as strong as the company providing this obligation. If the Lending Company fails to honour its obligation, the Noteholder is still exposed to the risk of the underlying Borrower not making repayments.

While the probability of any Borrower missing repayments or defaulting depends on many factors, such as payment amount, the income of the Borrower, and repayment term, it is important to point out that these probabilities are never zero. Due to this, the Notes are only suitable investments for Investors who have the appropriate knowledge and experience and are in a financial situation that allows them to lose part or even all of the money invested in Notes.

Overall, a Borrower not making repayments in full, or defaulting could be caused by a variety of factors, including, but not limited to:

- **The Borrower overestimates its ability to repay** - each Borrower should evaluate its current and future financial position itself and assess its ability to repay. For various reasons, the Borrower could overestimate its future cash flows and borrow more than it will be able to repay.
- **Limitations of initial risk scoring** - the Lending Company has developed its own method for scoring customer credit risk that relies on various information, which can be collected also from other parties than the Lending Company (e.g., credit rating agencies). There is a risk that the information could be wrong or outdated, or that the scoring method is not sufficient.
- **Unexpected events** - reasons why the Borrower could miss a repayment, include loss of employment, a delay in receiving expected income, unexpected costs, or even disability or death.
- **Macroeconomic factors** - the credit risk scoring of the Lending Company makes assumptions about the client's ability to repay during normal economic conditions. A sudden change in macroeconomic factors could significantly impact the Borrower's ability to make repayments.
- **Other liabilities** - the underlying Loans that are linked to the Note usually do not restrict the Borrower from incurring additional unsecured or secured debt. Additional debt may adversely affect the Borrower's creditworthiness and could result in financial distress, insolvency or bankruptcy of the Borrower.
- **Loan issued in a different currency than the Borrower's income** - in some cases, the Loan that has been issued to the Borrower is in a different currency than the currency in which the Borrower earns income. Significant changes in the exchange rates or a local currency devaluation could impact the Borrower's ability to make repayments.

## 2. The Lending Company for reasons other than Borrower failure to pay does not make

## **payments as they become due or may default on its obligations altogether**

The Loan Receivables come with the feature of a Buyback Obligation which means that the Lending Company is obligated to repurchase the Loan Receivables if the Borrower has failed to pay more than 60 days after the scheduled repayment date. While this feature could reduce the potential loss for the Noteholder due to the Borrower failing to make repayments, the Buyback Obligation is only as strong as the company providing this obligation. If the Lending Company fails to honour its obligation, the Noteholder is still exposed to the risk of the underlying Borrower not making repayments.

Also, the Lending Company has to meet the Repurchase obligation as may be required by the Transactional Documents and in such event the Lending Company is obliged to (i) repurchase the Loan Receivable from the Issuer or (ii) to repay to the SPV the respective Loan in full together with any Interest and Late Payment Interest accrued thereon.

While the probability of the Lending Company missing repayments or defaulting depends on many factors, such as payment amount, the revenues of the Lending Company, and the repayment term, it is important to point out that these probabilities are never zero.

Overall, a Lending Company not making repayments in full, or defaulting could be caused by a variety of factors, including, but not limited to:

- **Loss-making operations** - The Lending Company may experience losses due to various business events and factors, such as intense competition, higher than expected cost of client acquisition, high recovery costs, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to new Borrowers' Loans and management errors.
- **Macro-environmental factors** - Various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the non-performing Borrowers' Loans ratio.
- **Freezing, seizing or closing of the Lending Company operational bank account** - The account that the Lending Company uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Lending Company's ability to collect Borrowers' repayments and transfer funds to Mintos, the SPV and/or the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the Lending Company.
- **Currency control restrictions or lack of corresponding banks chain** - The local government could introduce certain currency control restrictions, leading to a situation where the Lending Company is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the Lending Company's operational accounts could be dramatically amended or terminated, eliminating the Lending Company's ability to make payments towards the Issuer, to the SPV and/or Mintos. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
- **Changes in local regulation with regards to Borrower's Loans already issued** - A legislative body of the country where the Lending Company operates could introduce

a Borrowers' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release.

- **Foreign exchange positions mismatch** - Loans are issued and are being repaid in one currency, but Notes promise repayments to Noteholders in another currency, for example, a Loan has been issued to the Lending Company in Armenian dram, but the Investor invests in a Note denominated in euros. If such Loans make up a large amount of the total portfolio, and local currency devalues and the Lending Company has not properly hedged this risk, the Lending Company is subject to foreign exchange positions mismatch risk, leading to significant losses for the Lending Company and its inability to pay amounts due to the Issuer.
- **Other or sole funding sources** - Besides Mintos, the Lending Company may use other sources of funding, such as a bank credit line, corporate bonds issues, private equity or public shares offerings. In some situations, such as an economic downturn, it could be difficult for the Lending Company to attract funding from other sources to refinance the existing liabilities, thus leading to a liquidity crisis that could lead to the Lending Company having difficulties continuing operations. Furthermore, if the Lending Company uses the Platform as a major funding source and a significant number of investors decide to suddenly avoid investing in Notes corresponding to the Loans, the consequences can be the same.

### **3. The Lending Company may not be able to recover the full principal and interest owed by the Borrowers**

While any recoveries from a Borrower are limited to the value of Borrower's assets (if any), some jurisdictions may, set a lower limit that creditors may claim from the Borrower or define a list of the estate which is not allowed to be alienated for recovery purposes, thus reducing the maximum amount that could be recovered from the Borrower.

The underlying Borrower's Loans that are linked to the Note do not restrict the Borrowers from incurring additional unsecured or secured debt. This means that if the Borrower's Loan is not secured by an asset and any funds from the Borrower are available for recovery, these funds could be allocated to various creditors, i.e., not only the Lending Company, but also other persons that the Borrower owes money to, such as local tax agency, state authorities, other lending companies and utility companies.

If the Borrower's Loan is secured by an asset, the proceeds from the sale of the asset would be allocated proportionally to the Noteholders of the same Series and all other creditors whose receivables are secured by that asset (unless another allocation order applies under applicable law). In addition, the pledged asset (e.g., car, property) might lose its value and could be sold for an amount that is less than the amount due to the Noteholder, or the asset could be stolen, hidden, alienated, missing or damaged. There is also a risk that any pledge securing the Borrower's obligations under the Borrower's Loan Agreement may become invalid or unenforceable due to a number of reasons, including, but not limited to, cases when legal relations arising from the loan documents are recategorised by the court of law, mistakes and omissions are made and/or due procedures are not followed when the pledge is formed. In that case, the obligations of the Borrower would become unsecured, and the credit risk significantly increases.

There could also be the case, especially where the amount of the Borrower's Loan is low, that the expected collection and recovery costs might be higher than the debt itself, which means

the collection and recovery is not economically reasonable, thus it would not be pursued.

In addition, the Borrower's Loan Agreement may, for a variety of reasons, be challenged and thus the ability of the Lending Company to exercise its rights under the Borrower's Loan Agreement may be delayed or otherwise hindered for an undefined term. The reasons for challenging the Borrower's Loan Agreement could include errors in agreements, electronic form of agreement (while the legal form requirement might be met in principle by such electronic signature, its value as evidence in court proceedings in some jurisdictions could be less compared to an actual signature made by hand on a physical document), compliance with regulations, such as consumer protection laws, as well as borrower identify fraud cases.

Due to the reasons described above the Noteholder may experience delayed repayments or partial or full loss of the amount invested in Notes.

#### **4. The Borrower may repay the Borrower's Loan early**

A Borrower may repay all or a portion of the remaining principal amount at any time without penalty. This may happen, for example, in cases where the Borrower can acquire lower cost financing from other sources and wishes to refinance the Borrower's Loan. The Borrower's Loan Agreement might be also terminated or cancelled in advance by the Lending Company, triggering the early repayment of the amounts due by the Borrower without penalty. While the Noteholder may invest the repaid money elsewhere, the return on the investments could be lower than the initially planned return.

#### **5. The Borrower may face difficulties to repay the Loan in advance**

A Borrower may breach the Borrower's Loan Agreement, for example, the Borrower takes out additional loans without permission from the Lending Company or alienates the collateral, and the Lending Company can therefore require early Borrower's Loan repayment in full. A Borrower may lack necessary financial resources to make such advance payment, so this could lead to Borrower's debt restructuring or debt collection and result in the Noteholder experiencing delayed repayments or partial or full loss of invested amount under Notes.

#### **6. Insolvency of the Lending Company**

Insolvency, bankruptcy or other similar adverse events may significantly influence or even dismiss the ability of the Lending Company to repay the Loans, to meet its obligations under Transaction Documents, and among other things to execute the undertaken Buyback Obligation and Repurchase obligations. This means that if the Lending Company experiences significant problems, the Lending Company may not be able to make payments which would result in the Issuer would not being able to make payments to the Noteholders.

In case of insolvency, an administrator is usually bound to consider which past transactions of the insolvent company have to be contested and which sold assets or transferred funds have to be clawed back. There is a risk that the administrator of the Lending Company takes action to claw back to the Lending Company estate amounts paid to the Issuer, Mintos or the SPV. The Issuer, the SPV and/or Mintos would then have to take legal actions to protect their interests in the payments received that are clawed back and argue against the position of the administrator in judicial proceedings, which could be long and costly, and no assurance could be made of its successful outcome.

Eventually, the Noteholder may experience delayed repayments or partial or full loss of invested amount under Notes.

## **RISKS SPECIFIC TO BORROWERS' LOAN SERVICING**

### **1. The Lending Company is not able to continue servicing of the Borrowers' Loans**

Various factors can negatively impact the Lending Company's ability to provide servicing of the Borrowers' Loans, which in turn could lead to delayed repayments to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

- **Loss-making operations** - The Lending Company may experience losses due to various business events and factors, such as intense competition, higher than expected cost of client acquisition, high recovery costs, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to new Borrowers' Loans and management errors.
- **Macro-environmental factors** - Various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the non-performing loans ratio.
- **Freezing, seizing or closing of the Lending Company's operational bank account** - The account that the Lending Company uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Lending Company's ability to collect Borrowers' repayments and transfer funds under the SPV Loan Agreements for an indefinite time, or even lead to insolvency or bankruptcy of the Lending Company.
- **Loss of the Lending Company's licence/ authorization, if such is required by the local regulation** - Provision of lending services require a company to receive special approval/authorization. Licences can be revoked or otherwise lost for a number of reasons. Loss of a licence can negatively affect the Lending Company's ability to continue its operations and service the existing loans.
- **Currency control restrictions or lack of corresponding banks chain** - The local government could introduce certain currency control restrictions, leading to a situation where the Lending Company is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the Lending Company's operational accounts could be dramatically amended or terminated, eliminating the Lending Company's ability to make payments under the SPV Loan Agreements. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
- **Changes in local regulation with regards to Borrowers' Loans already issued** - A legislative body of the country where the Lending Company operates could introduce a Borrowers' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release.
- **Foreign exchange positions mismatch** - Quite often Borrowers' Loans are issued and are being repaid in one currency, but Loans are issued by the SPV and have to be repaid by the Lending Company and Notes promise repayments to Noteholders in another currency, for example, a Borrower's Loan has been issued to a Borrower in



Armenian dram, but the Investor invests in a Note denominated in euros. If such Loans make up a large amount of the total portfolio, and local currency devalues and the Lending Company has not properly hedged this risk, the Lending Company is subject to foreign exchange positions mismatch risk, leading to significant losses for the Lending Company and its inability to pay amounts due under the SPV Loan Agreement.

- **Other or sole funding sources** - Besides Mintos, the Lending Company may use other sources of funding, such as a bank credit line, corporate bonds issues, private equity or public shares offerings. In some situations, such as an economic downturn, it could be difficult for the Lending Company to attract funding from other sources to refinance the existing liabilities, thus leading to a liquidity crisis that could lead to the Lending Company having difficulties continuing operations. Furthermore, if the Lending Company uses the Platform as a major funding source and a significant number of investors decide to suddenly avoid investing in Notes that are backed Loans linked to the Borrower's Loans, the consequences can be the same.

## 2. **No Backup Servicer may be available for servicing the Borrower's Loans if the Lending Company is not able to continue Loan servicing**

One of the key roles of the Lending Company with respect to the Notes is to provide servicing of the Borrowers' Loans according to standards agreed with Mintos, the SPV and the Issuer. There might be no backup servicer that could be appointed to take over the servicing from the Lending Company if needed. If there is an event of default or other circumstance that disrupts the due servicing of the Borrower's Loans and administration of the Borrowers' debts by the Lending Company and if at the time no backup solution for Borrower's Loan servicing exists, the timeline and volumes of repayments could be significantly impacted, leading to a partial or full loss of amounts invested in Notes.

## 3. **The Lending Company may intentionally or unintentionally breach its contractual obligations**

There is a risk that the Lending Company performs actions that are in violation of the Transaction Documents, including the risk of fraud against the SPV, Issuer and Mintos, resulting in the partial or full loss of amounts invested in Notes. Contractual breaches that may happen include, but are not limited to:

- **False or incomplete information about the Lending Company** - All information in this Base Prospectus about and/or related to the Lending Company has been provided and certified by the Lending Company as actual, true, and complete. Material errors or omission of such information could initially affect the decision of the Noteholder to invest in a particular Note and eventually result in a negative outcome of the investment.
- **False Borrower data** - The Lending Company provides Mintos with information about the Loan status, the Borrowers, repayment schedules, repayments, extensions of the underlying Borrowers' Loans or changes to the Borrowers' Loan Agreements. While Mintos regularly asks the Lending Company to provide scanned copies of the documents as evidence for randomly selected Borrowers' Loans, Mintos does not check or verify all Borrowers' Loans linked to the Loans backing the Notes. There is a risk that the Lending Company intentionally or unintentionally has provided wrong information to Mintos or fails to provide information to Mintos at all, and as a result, the payments under the Notes could be impacted.

- **The Lending Company stops cooperation with Mintos** - The Lending Company could for some reason suddenly stop cooperating with Mintos. This could mean not honouring its obligations under the existing agreements, including the Transaction Documents and breach of their provisions. The Lending Company could stop making payments to the Issuer, which means the Issuer would not be able to make payments to the Noteholder. The Lending Company might also stop providing Mintos with the necessary information or providing the information with significant delays.

#### **4. The Lending Company's IT systems may fail or may be breached**

IT systems are a crucial part of all financial services companies and if they are impacted, that could affect the Lending Company's ability to provide financial services to its customers and exchange information with Mintos. This could also result in loss or distortion of significant information and databases that are crucial for sound cooperation between the Lending Company, the SPV, the Issuer and Mintos, including for Notes issue servicing and administration.

Since IT systems play such a crucial role in the Lending Company's operation, the Lending Company typically devotes a substantial amount of resources to ensure stable and uninterrupted performance of the IT systems. Neither the Issuer, nor the SPV or Mintos audits the Lending Company's IT systems thus cannot ensure their soundness.

### ***RISKS SPECIFIC TO GUARANTEES AND PLEDGES WHEN THOSE ARE PROVIDED TO THE SPV (LENDER)***

#### **1. The Guarantor or pledgor may not honour its obligations**

There might be a Guarantee agreement or pledge provided to secure the obligations of the Lending Company towards the SPV and/or the Issuer arising out of the Cooperation Agreement on Issuance of Loans and other Transaction Documents.

If there is a Guarantee Agreement, the Guarantor would be expected to pay the due amount if the Lending Company fails to pay when due. As there is a risk of any party not honouring its obligations under a contract, there is a risk that the Guarantor does not honour its obligations under the Guarantee Agreement. If this happens, the SPV and/or the Issuer or Mintos on their behalf may take legal action against the Guarantor. There is a risk that the enforcement of rights under the Guarantee Agreement does not result in recoveries for the SPV and/or the Issuer, and by extension for the Noteholder, in the anticipated amount, or that the recovery might be affected by lengthy and costly legal proceedings

If there is a pledge, the pledgor would be expected to allow the pledgee to enforce its pledge by taking over the object of the pledge or putting it up for sale. The procedure for enforcing the rights of the pledge are defined by law in the country of the pledge. There is a risk that the pledged assets might lose their value and could be sold for an amount that is less than the amount due under the Cooperation Agreement on Issuance of Loans or the asset could be stolen, hidden, alienated, missing or damaged. There is a risk, as with any pledge/security, that it is or becomes unenforceable or invalid (see 'The guarantee or pledge may become invalid or unenforceable' below).

#### **2. The Guarantor or pledgor may default**

The risk of default, for example, insolvency, is a risk that is present for any counterparty, the Guarantor or the pledgor included.

If the Guarantor defaults, the SPV and/or the Issuer cannot rely on receiving funds from the Guarantor even if the SPV and/or the Issuer or Mintos on their behalf decides to take legal action to recover due amounts from the Guarantor in or outside of the insolvency or bankruptcy proceedings. If the Guarantor defaults, the SPV might terminate cooperation with the Lending Company and request that the Lending Company repays the amount due under the Cooperation Agreement on Issuance of Loans.

If the pledgor defaults, as a general rule the pledge should not be affected and the pledgee should be able to exercise its rights of pledge (to take over the pledge or to put it up for sale and receive all proceeds from the sale to cover the payments due from the Lending Company). However, the Issuer and SPV may decide to terminate cooperation with the Lending Company and request that the Lending Company repurchase all Loan Receivables before their term or to repay the Loans together with any interest.

### **3. The guarantee or pledge may become invalid or unenforceable**

There is a risk that guarantees or pledges securing the Lending Company's obligations towards the SPV and/or the Issuer may become invalid or unenforceable for several reasons, including, but not limited to cases when legal relations arising from the Transaction Documents are recategorised by the court of law, mistakes and omissions are made and/or due procedures not being followed when guarantees or pledges are formed. In that case, the obligations of the Lending Company towards the SPV and/or the Issuer defined by the Transaction Documents become unsecured and the credit risk significantly increases, and that may trigger Mintos, the Issuer and SPV terminating cooperation with the Lending Company and requesting repurchase by the Lending Company of all the Loan Receivables or to repay the Loans together with any interest before their term. If there is no guarantee to enforce and no pledge to enforce against then the SPV and the Issuer are left with the Lending Company as the only debtor from which to expect the payment of monies due from the Lending Company.

## ***RISKS SPECIFIC TO MINTOS***

### **1. Various events and failures could cause situations where Mintos is not able to continue operations**

As a relatively new service, Mintos operates in a complex and dynamic regulatory and competitive environment and various events and failures could lead to Mintos terminating the provisioning of services, including the operations of the Platform. These events include but are not limited to revocation of licence, weak financial performance, negative reputation, non-compliance events, dramatic changes in the applicable regulations impacting Mintos operating model or an economic downturn. If Mintos ceases operations, this could significantly impact the Noteholder's ability to receive repayment on time.

Should Mintos enter liquidation or insolvency, as a regulated and supervised entity, the process will be supervised by the NCA. The appointed liquidator or administrator will take over the functions of the management board. Mintos will continue servicing its clients and the Investment Accounts, and relevant financial instruments portfolios in line with what Mintos is permitted to do according to the applicable insolvency and liquidation rules. The process from the moment of the appointment would be led by the appointed administrator or liquidator. In some cases, the Investors' Protection Law may apply. Such processes may significantly influence the investment's return times and make the return more complex to the Noteholder.

Furthermore, Mintos could for some reason suddenly stop honouring its obligations under the existing agreements, leading to delayed payments or partial or full loss of the amount invested

in the Notes.

**2. Non-compliance with regulations could lead to revocation of Mintos' licence**

To provide services to clients, Mintos, as the operator of the Platform, has received an investment firm license from the NCA. The licence could be suspended or revoked due to non-compliance with regulations by Mintos. Loss of licence by Mintos could lead to delayed payments or partial or full loss of invested amount under the Notes.

**3. Failure of IT systems or a security breach could lead to significant liabilities and harm relationships with customers**

The technology that Mintos has developed over the years is a cornerstone of Mintos' future success. The satisfactory performance, reliability and availability of the Platform is critical to its operations, customer service and reputation.

While Mintos has taken steps to protect confidential information, the techniques used to obtain unauthorised, improper or illegal access to systems, data, or customer data, or to disable or degrade services are constantly evolving and may not be detected quickly.

As a result, Mintos' and Mintos' third-party vendor security measures might be breached, and these security breaches could result in confidential client information being stolen. Breaches of security measures because of third-party action, employee error, third-party vendor error, design flaws in the software, or interruptions in Mintos' systems and services could adversely impact our relationships with Mintos' clients, harm Mintos' reputation and expose Mintos to significant liability.

Furthermore, in the event of damage or interruption, existing insurance policies may not adequately compensate Mintos and Mintos' clients for any losses that may have been incurred. Nevertheless, as IT systems are crucial to Mintos' operations, a substantial amount of resources are devoted to ensuring the stable and uninterrupted performance of the IT systems.

**4. Mintos' bank accounts could be frozen or closed and banks, where the Noteholder funds are held, can become insolvent**

Mintos clients' funds, including the fund being deposited in the Issuer's Account for settlement under the Notes, are kept segregated from Mintos' own funds in several bank accounts marked as client funds accounts.

One or several of those bank accounts that Mintos uses might be blocked, seized or closed for a number of reasons, including insolvency of the banks, resulting in interruptions of fund transfers to the Lending Company and the Noteholder.

**5. Significant problem or termination of the agreement with a Mintos partner may affect the provision of services to the clients**

While providing its services, Mintos relies on several carefully selected partners (e.g., cloud computing providers), and any problems with the service providers could impact Mintos' ability to provide services to the Noteholder. Mintos has taken several steps to reduce the likelihood and impact of such occurrences, such as having backup service providers where feasible, there is still a risk that the Noteholder may not be able to access the Platform or receive services.

**6. Certain situations or actions may raise conflicts of interests**

While the rights and the responsibilities of Mintos, the Issuer, the Lending Company are detailed in the Transaction Documents and this Base Prospectus, and Mintos has established policies and procedures to mitigate the risk, it is not possible to fully avoid the possibility of a conflict of interests between the parties that could impact the interests of the Noteholder.

While Mintos provides placement services to the Issuer with respect to the Notes, Mintos also provides the infrastructure services for the Lending Company and the Issuer to perform sales of the Loan Receivables to the Issuer, as well as to exercise the Buyback Obligations and Repurchases. Mintos receives fees from the Lending Company for placement services. Mintos has carefully set up the fees in a compliant manner and so that it would not violate the conflict of interest management rules. Such placement fees might qualify as inducements and Mintos would disclose information on these inducements to the Noteholder. In addition to inducement disclosures, Mintos has set up internal procedures to identify and manage conflicts of interest. Some conflicts of interest require disclosure and those are disclosed.

## **RISKS SPECIFIC TO THE SPV (LENDER)**

### **1. The SPV could default on its obligations or become insolvent**

The SPV is a wholly-owned Mintos Group company, and not engaged in any business activities other than those provided in this Base Prospectus. There is a risk that the SPV could suddenly stop effectively honouring its obligations under the existing agreements and breaching its provisions, resulting in missing repayments to the Noteholder. This could lead to delays in repayments and partial or full loss of invested amounts.

While the SPV is created, established and performs its operations as a special purpose undertaking, due to possible legal shortcomings of the applicable law and/or judicial practice, the SPV might be found insolvent. In such situations, if the SPV has received and holds money from the Lending Company that is payable to the Issuer, the Noteholder could experience delays in receiving its invested funds and the Issuer's priority as a creditor of the SPV might be changed by the rule of law, leading to receiving fewer amounts than due under the Notes, if any amounts at all are received and held by the SPV that are received from the Lending Company.

The Terms and Conditions of the Notes (in section 12 of this Base Prospectus) are set up and drafted as having legal force and addressing concerns as legally binding contractual obligations. There can be external circumstances that might influence such legal construction, including, but not limited to court ruling, and/or new or modified legal enactments.

### **2. The SPV is not able to continue Loan servicing**

Various factors can negatively impact the SPV's ability to provide Loan servicing, which in turn could lead to delayed repayments for the Loan Receivables to the Issuer and as a result, and, in turn to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

- **Macro-environmental factors** - Various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the amounts that can't be recovered from the Lending Company.
- **Freezing, seizing, or closing of the SPV's operational bank account** - The account that the SPV uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions

violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict SPV's ability to collect repayments from the Lending Company and transfer funds to the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the SPV.

- **Currency control restrictions or lack of corresponding banks chain** - The local government could introduce certain currency control restrictions, leading to a situation where SPV is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the SPV's operational accounts could be dramatically amended or terminated, eliminating the SPV's ability to make payments towards the Issuer. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
- **Changes in local regulation with regards to Loans already issued** - A legislative body of the country where the SPV operates or wherefrom the Lending Company could introduce a borrowers' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release.

### 3. **Cross-risks applicable to the SPV**

Considering the pass-through nature of the SPV, the SPV and its abilities to pay amounts due to the Noteholders under the Note are exposed to all the risks listed above in '*RISKS SPECIFIC TO THE UNDERLYING LOAN*', '*RISKS SPECIFIC TO LOAN SERVICING*', '*RISKS SPECIFIC TO PLEDGES WHEN THOSE ARE PROVIDED TO THE SPV*'.

## **RISKS SPECIFIC TO THE ISSUER**

### 1. **The Issuer could default on its obligations or become insolvent**

The Issuer is a wholly-owned Mintos Group company, and not engaged in any business activities other than those provided in this Base Prospectus. There is a risk that the Issuer could suddenly stop effectively honouring its obligations under the existing agreements and breaching its provisions, resulting in missing repayments to the Noteholder. This could lead to delays in repayments and partial or full loss of invested amounts.

While the Issuer is created, established and performs its operations as a special purpose undertaking, due to possible legal shortcomings of the applicable law and/or judicial practice, the Issuer might be found insolvent due to the following reasons, including, but not limited to, a Noteholder or other creditor initiating the insolvency procedure against the Issuer in bad faith and the court not finding limited recourse and non-petition provisions defined by this Base Prospectus as a sufficient ground to reject such proceeding. In such situations, the Noteholder could experience delays in receiving its invested funds and its priority as a creditor of the Issuer might be changed by the rule of law, leading to receiving fewer amounts than due under the Notes.

The Terms and Conditions of the Notes (in section 12 of this Base Prospectus) are set up and drafted as having legal force and addressing concerns as legally binding contractual obligations. There can be external circumstances that might influence such legal construction, including, but not limited to court ruling, and/or new or modified legal enactments.

### 2. **Mintos may not be able to cover the maintenance and administrative costs of the Issuer**

Considering the pass-through nature of the Issuer, the maintenance costs and administrative expenses of the Issuer are, in essence, covered by the Lending Company, either via direct compensation mechanism or indirectly via Mintos. If for any reason mentioned above in '*RISKS SPECIFIC TO MINTOS*', Mintos is not able to cover such costs, it could significantly influence the operations of the Issuer and its ability to service Notes and make payments to the Noteholder.

### **3. Information asymmetry**

With a reference to risks described above in 'The Lending Company may intentionally or unintentionally breach its contractual obligations - False or incomplete information about the Lending Company' and '-False Borrower data', part of the information in this Base Prospectus as well as significant information being received during the term of the Notes is being sourced and received from the Lending Company. There is a risk that the Lending company can provide material information with delay or fails to provide information to the Issuer at all. As a consequence:

- the Issuer through Mintos acting as its authorised representative will not be able to timely enforce its rights provided in the Transaction Documents and to act in the interests of Noteholders; and
- the Issuer will not be able to prepare and publish supplements to this Base Prospectus in a timely manner, which could impact the Noteholders' judgement on purchasing the Notes being unaware of any significant new factor, material mistake or inaccuracy related to the information being sourced from the Lending Company.

### **4. Cross-risks applicable to the Issuer**

Considering the pass-through nature of the Issuer, the Issuer and its abilities to pay amounts due to the Noteholders under the Note are exposed to all the risks listed above in '*RISKS SPECIFIC TO THE UNDERLYING LOAN*', '*RISKS SPECIFIC TO LOAN SERVICING*', '*RISKS SPECIFIC TO GUARANTEES AND PLEDGES WHEN THOSE ARE PROVIDED TO THE SPV*' and '*RISKS SPECIFIC TO MINTOS*'.

## ***RISKS SPECIFIC TO NOTES***

### **1. The Noteholder has no rights of recourse against the Borrowers, the Lending Company, the SPV, the Guarantor or the pledgor**

The Noteholder has no direct right to the Loan Receivables. Instead, the Noteholder is acquiring Notes, which are backed by the corresponding Loan Receivables. The legal title in the Loan Receivables and relevant rights arising from them are vested in the Issuer. This means that the Noteholder will have no direct recourse against the Lending Company or the Borrowers and no ability to independently and in its discretion to pursue the Lending Company or any Borrower to collect payments under the relevant Borrower's Loan or the Lending Company to collect payments under the relevant SPV Loan Agreement. For the same reason the Noteholder will have no direct recourse against the SPV or the Lending Company, or the Guarantor and/or the pledgor, and no ability to pursue the SPV or the Lending Company, or the Guarantor and/or the pledgor to enforce them to duly perform their duties and obligations due. All such actions are carried out by the Issuer as the legal owner of the Loan Receivables according to the provisions of this Base Prospectus and the Transaction Documents.

### **2. Change of creditors priority**

The outcome of judicial or insolvency procedure could overrule the creditors' priority in this Base Prospectus due to requirements of the law, meaning that the Noteholders of one Series of Notes could become equal creditors to Noteholders of other Series of Notes, thus all the proceeds the Issuer receives from all the Loan Receivables is distributed on *pro rata* basis or otherwise.

**3. Certain costs may rank higher than payments to the Noteholder**

While it is the Issuer's responsibility to transfer to the Noteholder all payments that have been received from the SPV, including the payments received from the Lending Company by the SPV, there are certain costs, such as taxes, Mintos' fees and recovery costs that rank higher than payments to the Noteholder. This means that the Noteholder would only receive payment after the payment obligations of a higher priority have been settled.

Also, there is a risk that the outcome of judicial or insolvency procedure could define other priority of payments, which differs from the priority in this Base Prospectus.

**4. Liabilities that are not Series specific will be allocated to all Series of Notes proportionally**

If there are higher priority costs, i.e., taxes, fees and recovery costs, related to the specific Note, then these will be covered from the payments due to the Noteholders according to the Priority of Payments defined in this Base Prospectus. Where the liability is not Series-specific, for example, legal costs, the liability will be allocated to all Series of Notes proportionally unless otherwise defined by the Priority of Payments.

**5. Event of default under another base prospectus affecting Noteholders of this Base Prospectus**

The Issuer has or could in future enter into transactional documentation to issue loans' backed and contingent notes with other lending companies, being part of the Eleving Group.

If for some reason an event of default arises under another base prospectus, it can lead to an event of default under this Base Prospectus, and as a consequence Noteholders can face similar risks as described in the paragraph 2, 3 and 4 of the RISKS SPECIFIC TO THE NOTES, for example, the outcome of judicial or insolvency procedure could overrule the creditors' priority due to requirements of the law, meaning that the noteholders under other prospectus could be treated *pari passu* with other unsecured creditors of the Issuer, including with the Noteholders of Notes issued under this Base Prospectus, and/or could define other priority of payments, which differs from the priority in this Base Prospectus, meaning that proceeds received from the Lending Company which otherwise would be attributable to Series Specific Loans could be diverted to make payments with respect to other prospectuses of the Issuer and/or with respect to such proceedings.

**6. Due diligence and monitoring performed by Mintos and Mintos risk score allocated are limited in scope, do not address all material risks, and do not provide any assurance or indemnification**

Before the Lending Company joins Mintos and during the cooperation, Mintos carries out due diligence and assigns Mintos risk score. It is important to point out that these processes are limited in scope and do not address all material risks relating to an investment in the Notes, but rather reflect the view of Mintos at the time the due diligence and monitoring are performed.

Even if Mintos continuously measures the accuracy of Mintos risk score and evaluates the need



to adjust the methodology when new data is obtained, these processes might not guarantee any further performance of the investment.

Mintos neither provides any assurance or guarantee for the Noteholder nor indemnifies or holds Noteholder harmless for any loss or adverse consequence directly or indirectly arising from the Noteholder relying upon the Mintos risk score or due diligence and monitoring performed. Basing investment decisions solely on Mintos risk score could lead to a partial or full loss of invested amounts.

#### **7. No specific securitisation laws in Latvia**

There are no dedicated laws and regime in Latvia addressing specific special purpose vehicle issuer insolvency or limited recourse concepts at the date of this Base Prospectus. Mintos believes the Terms and Conditions of the Notes are set up and drafted as having legal force and addressing such concerns as legally binding contractual obligations. There might be circumstances that influence such legal construction, including, but not limited to the court ruling, or new or modified legal enactments. Eventually, this could lead to delayed payments, or partial or full loss of the amount invested in the Notes.

#### **8. Repurchase could impact planned return**

The Lending Company may repurchase the Loan Receivables from the Issuer at any time at their then outstanding principal value without any penalty or other compensation. This may happen, for example, in cases where the Lending Company can acquire lower cost financing from other sources and wishes to refinance the Loan.

The Lending Company not only has a right to repurchase, but also has an obligation to repurchase the Loan Receivables from the Issuer upon the occurrence of certain events specified in the Cooperation Agreement. The Lending Company may become obliged to repurchase one or several affected Loan Receivables, as well as there are certain events that may trigger the obligation to repurchase all the Loan Receivables. Occurrence of a Material Event of Default under the Cooperation Agreement triggers the obligation to repurchase all the Loan Receivables.

If the repurchase right is exercised by the Lending Company or if the repurchase obligation arises, the relevant Series of Notes will be redeemed early in full or in part once the Issuer has received the repurchase price from the Lending Company. The Noteholders' return on the investments in the Notes which are redeemed due to the repurchase will be lower than the initially planned return.

#### **9. New regulations introduced in the future could impact the Noteholder and Mintos**

Due to several reasons, such as improvements in computer technology, the financial crisis of the past decade and a greater focus on preventing the legalisation of illegally gained proceeds, the financial industry over the last years has experienced the introduction of several new regulations. With further developments and adoption of technologies, jurisdictions, either where Noteholders or Mintos Group are domiciled are likely to introduce new regulations or administrative interventions that could relate to Notes or online marketplaces such as the Platform. Such regulation in the future, for example, could enhance investors' protection measures, limit access to Notes to only qualified or sophisticated Noteholders, limit the proportion of the portfolio that can be invested through Notes or introduce any other restricting measures.

Furthermore, the introduction of new regulations or significant changes to the existing regulations could impact the profitability, cost base and future operations of Mintos. Failure to comply with regulation could lead to, among other things, lawsuits, administrative enforcement actions, penalties, and revocation of licenses and authorisations. Eventually, this could lead to delayed payments or partial or full loss of invested amounts under Notes.

**10. New regulation in relation to taxes could impact the expected return for the Noteholder**

In the event that new regulation is introduced, or existing regulation or its interpretation changes so that the Issuer and/or Mintos needs to withhold additional taxes before making payments to the Noteholder, and the Issuer and/or Mintos is required to withhold any transfer tax, stamp duty and/or financial transactions tax, this could impact the expected return on investment for the Noteholder. Similar developments in the Noteholders' tax residence country can lead to the same consequences.

**11. Notes have limited liquidity and transferability**

The Notes are illiquid securities and there is no active market for them, and the Notes are not admitted to any trading venue. The potential buyers and transferees are limited only to other Mintos' clients who are registered on the Platform. Which all means that the Noteholder might need to offer the Notes with a significant discount and hence would not meet the expected return on the investment or might even be unable to sell them at all during a shorter or longer period of time. Furthermore, to protect Noteholders that use automatic investment solutions from making investment decisions, Mintos may restrict the execution of orders to sell the Notes according to the terms and conditions of the agreements between the Investors and Mintos.

The Noteholder should therefore only invest in Notes that the Noteholder is comfortable with holding to maturity.

**12. An undiversified investment portfolio may lead to greater exposure to the Lending Company and country-specific risks than a well-diversified portfolio**

Investment in a single Note, Notes issued in relation to the Lending Company or Notes with underlying Loans related to one country means that the performance of the portfolio and risk exposure depends on that Note, the Lending Company, country and currency risk.

Mintos encourages its customers to build a well-diversified portfolio and provides several tools to automate investing in Notes, making this easier.

**13. Investing in Notes issued in other currencies increase the Noteholder's exposure to currency risk**

If a Noteholder invests in Notes denominated in a currency that is different from the currency that the Noteholder earns and/or spends, the return on the investment could be significantly impacted by the fluctuations in the exchange rate between those currencies. This means that if the underlying currency depreciates significantly, the Noteholder could lose part of the investment, and if the currency appreciates significantly, the Noteholder could earn a higher return on investment.

**14. Notes are not bank deposits**

Investment in Notes does not have the status of a bank deposit in Latvia or elsewhere and is not within the scope of the deposit protection or guarantee scheme operated by the Republic of Latvia or any other jurisdiction.

### 3. GENERAL INFORMATION

#### Important notices

THIS BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS BASE PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS BASE PROSPECTUS CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THIS BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Any materials relating to any potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Under no circumstances will this Base Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction other than provided on page 1 of this Base Prospectus.

#### Responsibility for this Base Prospectus

The Management Board of the Issuer:

Title	Name
Chairman of the Management Board	Martins Sulte
Member of the Management Board	Martins Valters

accepts responsibility for the information contained in this Base Prospectus (other than the information in the sections entitled '8. THE LENDING COMPANY', '10. THE BORROWER'S LOANS', '7. THE SPV (LENDER)', '9. THE LOANS', '11. THE GUARANTOR'). To the best of its knowledge, the information (other than the information in the sections entitled '8. THE LENDING COMPANY' and '10. THE BORROWERS' LOANS', '7. THE SPV (LENDER)', '9 THE LOANS', '11 THE GUARANTOR') contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties identified in this Base Prospectus as such has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information provided by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Management Board of the Lending Company accepts responsibility for the information contained in the sections entitled '8. THE LENDING COMPANY', '10. THE BORROWERS' LOANS' and '11. THE GUARANTOR' of this Base Prospectus. To the best of its knowledge, the information contained in

sections entitled '8. THE LENDING COMPANY' and '10. THE BORROWERS' LOANS' and '11. THE GUARANTOR' of this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

The Management Board of the SPV (Lender) accepts responsibility for the information contained in the sections entitled '7. THE SPV (LENDER)' and '9. THE LOANS' of this Base Prospectus. To the best of its knowledge, the information contained in sections entitled '7. THE SPV (LENDER)' and '9. THE LOANS' of this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

### **Final Terms**

Each Series of Notes will be issued on the terms and conditions set out under the section entitled '12. TERMS AND CONDITIONS OF THE NOTES' of this Base Prospectus as completed by the applicable Final Terms. The Final Terms will be published on the website [www.mintos.com](http://www.mintos.com). A form of applicable Final Terms is set out under the section entitled '14. APPLICABLE FINAL TERMS' of this Base Prospectus.

### **Other relevant information**

This Base Prospectus must be read and construed together with any supplements to this Base Prospectus and with any information incorporated by reference in this Base Prospectus and, concerning any Series of Notes, must be read and construed together with the relevant applicable Final Terms.

### **Unauthorised information**

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into concerning the Programme, any information supplied by the Issuer, or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Mintos has not authorised the whole or any part of this Base Prospectus and does not make any representation or warranty, or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes, nor does Mintos or any of its shareholders, directors, affiliates, advisers or agents take any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue, offering and sale of the Notes.

### **Restrictions on distribution**

The distribution of this Base Prospectus and any Final Terms, and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and Mintos to inform themselves about and to observe any such restrictions. Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither this Base Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, Mintos or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. Mintos has not provided any financial or taxation advice in connection with the Programme or the Notes.

## **Programme limit**

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 60,000,000.00 (or its equivalent in other currencies).

## **Language**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

## **Ratings**

No Series of Notes issued under the Programme will be rated by any credit rating agency.

## **Currencies**

Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in euro. The Issuer's functional currency is euro, and the Issuer prepares its financial statements in euro.

## **Third-party and market share data**

This Base Prospectus contains information regarding business of the Issuer, Mintos, the Lending Company and others, and the industry in which they operate and compete. Where third party information has been used in this Base Prospectus, the source of such information has been identified. Statistical information included in this Base Prospectus has been derived from official public sources, including the statistical releases. All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Issuer to Investors who have purchased the Notes. In some cases, independently determined industry data is not available. In these cases, any market share data included in this Base Prospectus is referred to as having been estimated. All such estimates have been made by either the Issuer or the Lending Company using its information and other publicly available market information. Each of the Issuer and the Lending Company believes that these estimates of market share are helpful as they give prospective Investors a better understanding of the industry in which the Issuer or the Lending Company operates as well as its position within that industry. Although all such estimations have been made in good faith based on the information available and the Issuer's or the Lending Company's knowledge of the market within which it operates, neither the Issuer nor the Lending Company can guarantee that a third-party expert using different methods would reach the same conclusions. Where information has not been independently sourced, it is the Issuer's or the Lending Company's own information.

## **No incorporation of website information**

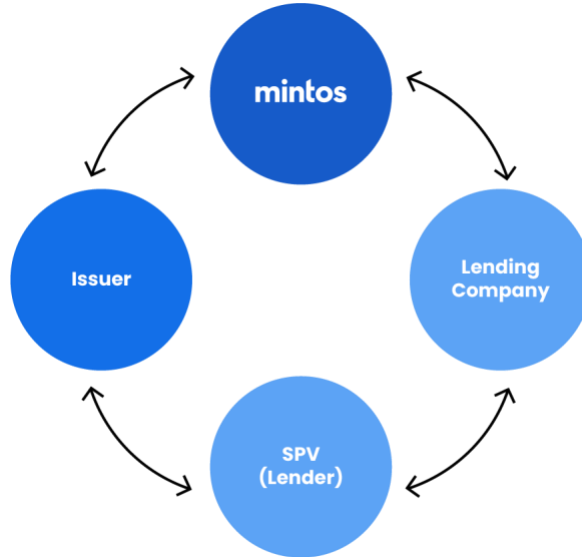
The Issuer is affiliated with Mintos and their website is [www.mintos.com](http://www.mintos.com). Unless specifically incorporated by reference into this Base Prospectus, information on the website or any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites has not been verified, is not incorporated by reference into, and does not form part of, this Base Prospectus, and Investors should not rely on it.

#### 4. TRANSACTION OVERVIEW

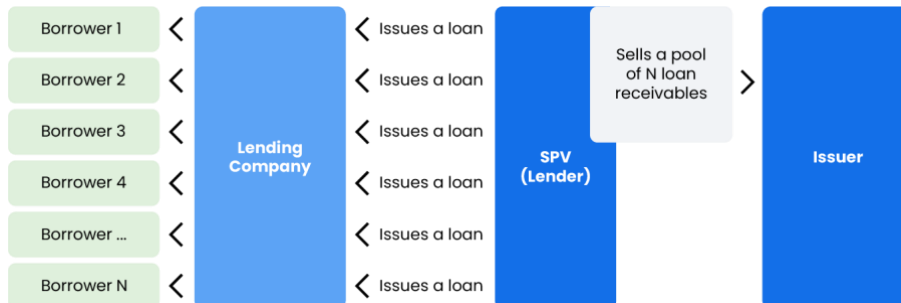
- **THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES**

- **The Issuer, Mintos, SPV (Lender) and the Lending Company**

The Issuer, Mintos, SPV (Lender) and the Lending Company have entered into the Transaction Documents for the issue and sale of the Notes as described in this Base Prospectus.



- **Issuance of loans and transfer of the Loan Receivables by the SPV to the Issuer**



The Lending Company issues loans to the Borrowers, and in the Base Prospectus, they are called the Borrowers' Loans. Once the Borrower's Loan is issued by the Lending Company, the Lending Company can request, by using the API connection setup with Mintos, a Loan from the SPV (Lender) within the maximum limit permitted by the Cooperation Agreement on Issuance of Loans.

Each loan requested from the SPV has to be for an amount not exceeding 95% of the principal amount of the Borrowers' Loan that the Lending Company has issued to the Borrower and that it provides as a source of repayment of the respective Loan. If the request for Loan meets the requirements under the Cooperation Agreement on Issuance of Loans, the request is approved and an SPV Loan Agreement is generated for that Loan. Mintos verifies the information provided through the API. The Borrower's Loans are required to meet certain eligibility criteria for the Loans that will be advanced against them to form a 'pool' of Loan Receivables to serve as the underlying assets for a particular Series of Notes and to satisfy other conditions precedent. Each SPV Loan Agreement has one Borrower's Loan linked to it as the source of repayment.

After the SPV Loan Agreement is concluded, the Loan Receivables arising out of the SPV Loan

Agreement are in full sold to the Issuer.

The sale of the Loan Receivables to the Issuer is evidenced by Mintos generating the Transfer Document. The agreement on the terms and conditions of the sale of the Loan Receivables by the SPV to the Issuer is set out in the Cooperation Agreement, the Transfer Document evidences the fact of the sale having happened.

Payment for the acquired Loan Receivable is subject to placement of the Series of Notes.

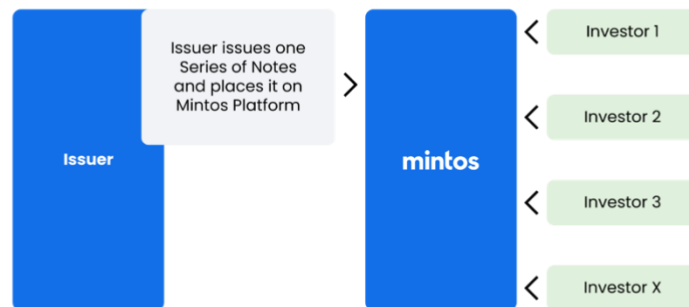
That means the Loan Receivables transferred to the Issuer and backing the Series have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

In relation to the Loan, the SPV does not retain any 'skin in the game'. The Lending Company, however, does economically retain a skin in the game in the Borrower's Loan due to the Loan that it can receive against the Borrower's Loan is no greater than 95% of the principal amount of the Borrower's Loan.

The Lending Company is notified of the transfer of the Loan Receivables, however the parties under the Cooperation Agreement have agreed that the Lending Company will continue to make payments to the SPV (Lender), unless the Issuer has not notified the Lending Company to do otherwise. The SPV continues to service the Loan Receivables.

The Lending Company meanwhile retains full title over the Borrowers' Loans that are linked to the Loans as their source of repayment.

- **Issue of Notes**



Once the Issuer has a pool of the Loan Receivables, Mintos publishes the Final Terms for the relevant Series of Notes on the Platform on behalf of the Issuer. This process is automated and takes place in real-time.

As of the Issue Date, the Notes are publicly offered by the Issuer through the Platform. Investors can purchase Notes from the Issue Date until the Maturity Date of the Notes provided in the Final Terms or until the time when the Notes are fully sold to Investors by the Issuer, whichever occurs earlier. Information about the offer results of the Notes is published on the website [www.mintos.com](http://www.mintos.com) in real time starting from the Issue Date of the Notes. Subscriptions will not be reduced, which means refund of amounts paid in excess does not apply. The Issuer does not expect any conditions to which offer of the Notes would be subject.

To purchase Notes from the Issuer, the Investor registered on the Platform submits an investment order using the "Primary market" section of the Platform, indicating the amount of money that the Investor wishes to invest in particular Notes. The Investor can also use automated portfolio management services provided by Mintos to purchase the Notes. The process for purchasing Notes is automated and takes place in real-time. When the investment order is accepted by the Platform, Mintos debits

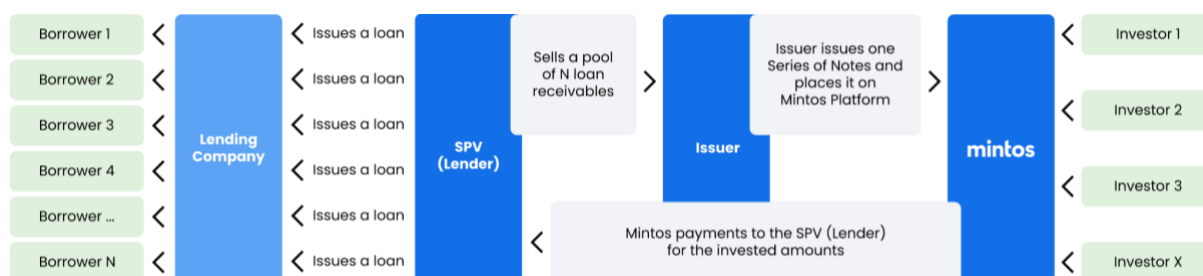
cash funds from the Investor's cash account with Mintos in exchange for delivery of the Notes to the Investor's financial instruments account with Mintos. Paying for the Notes and delivery of the Notes take place simultaneously. The Notes allotted are available as soon as the investment order is executed by Mintos, by means of the Investor's profile on the Platform. Further alienation of Notes could be done as soon as available on the Investor's Investment Accounts.

Minimum subscription amount is one Note. Maximum subscription amount is up to the Aggregate Nominal Amount for the relevant Series of Notes, but subject to the nominal amount of the Notes being available for purchase from the Issuer as at execution time of the investment order at Mintos.

No expenses are expected to be charged to the Investor by the Issuer when purchasing Notes. Currently there is no financial transaction tax to be applied by the Issuer and/or Mintos to the Investor in subscribing or purchasing any Note.

The Issuer expects that net proceeds of any Series of Notes will equal the Aggregate Nominal Amount of the relevant Series.

#### ▪ **Payments under the Notes**



Interest specified in the Final Terms will begin to be calculated and accrued from (and including) the first day when the Investor has acquired the Notes from the Issuer and the Notes are booked by Mintos in the Investor's financial instruments account.

The Interest and principal payments under the Notes are linked and contingent on corresponding payment being made under the pool of the underlying Loan Receivables, and the payments being made under the pool of underlying Loan Receivables is dependent on the payments being made by the Borrowers under the Borrowers' Loans linked to that pool. Notes may have different payments which reflect the different Loans issued by the Lending Company, such as:

- fully amortising Notes – the principal amount outstanding of the Notes and interest are regularly paid during the term of the Notes so that the principal amount outstanding of the Notes is zero at maturity of the Notes;
- partially amortising Notes (or 'balloon' Notes) – the principal amount outstanding of the Notes and interest are regularly paid during the term of the Notes but, a 'balloon' of principal amount outstanding of the Notes remains which is paid at maturity of the Notes;
- interest only Notes – only the interest is regularly paid during the term of the Notes, whilst the principal amount outstanding of the Notes is paid at maturity of the Notes; and
- bullet Notes - both the outstanding principal value of the Notes and interest are paid at the maturity of the Notes.

#### ▪ **The Buyback Obligation**

The **Buyback Obligation** is the obligation for the Lending Company to (i) repurchase



the relevant Loan Receivables from the Issuer, provided that the Buyback Obligation is stated as being applicable in the Final Terms; or (ii) to make repayment to the SPV with respect to the affected Loan in full, if any payment under any of the relevant Borrower's Loan is delayed by more than 60 days. Whichever way the Buyback Obligation is performed, if the Lending Company fulfils the obligation, it achieves the same result – the Issuer receives either directly from the Lending Company or from the SPV full settlement for the respective Loan Receivables.

If the Buyback Obligation is triggered, the relevant Series of Notes will be partially redeemed early once the Issuer has received the buyback price from the Lending Company or the payment from the SPV of received repayment from the Lending Company. The buyback price or repayment is the nominal value of the Loan Receivable as it is at the time when the Buyback Obligation arose, which means the nominal value of the principal outstanding and the interest and other ancillary claims assigned to the Issuer that form part of the Loan Receivable up to the date when the Buyback Obligation was triggered.

#### ▪ **Repurchase**

**Repurchase** is the right or obligation for the Lending Company to (i) repurchase the Loan Receivable(s) from the Issuer or (ii) to make repayment to the SPV with respect to the affected Loans in full on the occurrence of certain events specified in the Cooperation Agreement.

**The Repurchase rights** may be exercised by the Lending Company at any time with respect to any Loan Receivable(s). The repurchase price or the repayment is the nominal value of the Loan Receivable, which means the nominal value of the principal outstanding and the interest and other ancillary claims assigned to the Issuer that form part of the Loan Receivable up to the date when the Repurchase right was exercised, as it is at the time when the Repurchase right was exercised.

If during the validity of the Cooperation Agreement the Lending Company exercises its rights to Repurchase individual Loan Receivables that are linked to performing Borrowers' Loans (loans that are not delayed by the Borrower), the Lending Company shall be obliged to repurchase the same amount of the Loan Receivables that are linked to non-performing Borrowers' Loans with a delay of 1 to 59 days (if any) and to non-performing Borrowers' Loans with a delay of 60 and more days (if any). Namely, if the Lending Company repurchases 10% (ten per cent) of the Loan Receivables linked to performing Borrowers' Loans, the Lending Company shall be obliged to repurchase 10% (ten per cent) of the Loan Receivables linked to non-performing Borrowers' Loans with a delay of 1 to 59 days and 10% (ten per cent) of the Loan Receivables linked to non-performing Borrowers' Loans with a delay of 60 and more days. The Loan Receivables linked to non-performing Borrowers' Loans subject to the repurchase are randomly selected by the Lending Company at its own discretion. If Lending Company fails to repurchase the Loan Receivables of non-performing loans as per this clause, Mintos shall randomly select the Loan Receivables on non-performing loans subject to the repurchase by the Lending Company.

**The Repurchase obligation** arises either with respect to one or several Loan Receivables or it may as well arise with respect to all Loan Receivables.

Individual affected Loan Receivable(s) must be repurchased by the Lending Company according to the Cooperation Agreement if the following occurs:

- (a) termination by the Lending Company of a Borrower's Loan Agreement which is linked to the SPV Loan Agreement from which the Loan Receivable arises;
- (b) in case any of the following events occur:
  - if the SPV Loan Agreement from which the respective individual Loan Receivable arises is or shall for any reason and by any means become invalid or unenforceable whether in whole or in part or it becomes impossible or unlawful for any party to any

- such document to perform its obligations under such documents; or
  - if, in the reasonable opinion of Mintos and/or the Issuer and/or the SPV, the Lending Company's fraud or fraudulent misrepresentation has been established;
- (c) with respect to the affected Loan Receivable that is determined in the sole discretion of Mintos, in case if any of the following events occur:
  - if certain representations or warranties of the Lending Company provided in the Cooperation Agreement with respect to the Borrower's Loan is or proves to have been untrue when made or deemed to be made;
  - if a breach of an obligation of the Lending Company to comply with certain restrictions on amendments to the Borrower's Loan Agreements are not complied with or if the Lending Company breaches its duties as a servicer of the Borrower's Loans; or
  - if it is or becomes unlawful for the Lending Company to perform its obligations under the Cooperation Agreement or the Cooperation Agreement on Issuance of Loans according to the applicable laws (i.e., having a retroactive effect).

The above might not be a precise wording of the Cooperation Agreement provisions, however even if the wording is different the description of the essence remains correct.

In case a Material Event of Default under the Cooperation Agreement has occurred (see paragraph: THE TRANSACTION DOCUMENTS - The Cooperation Agreement - Material Events of Default), Mintos is entitled to request the Lending Company to repurchase all the Loan Receivables transferred to the Issuer or to make repayment to the SPV with respect to all the Loans. Mintos has the discretion to request or not to request the repurchase of all the Loan Receivables. If the full repurchase is requested, repurchase obligation must be met by way of (i) paying the repurchase price or (ii) by making repayment to the SPV with respect to the Loans in full within the time period, which in most cases is 5 (five) Business Days, but may be set as a longer period of time up to no more than 6 months, after the notice has been given to the Lending Company regarding the repurchase and the final calculation of the amounts payable is sent to the Lending Company.

The repurchase price for the Loan Receivable which the Lending Company is obliged to pay to the Issuer for the Repurchase of the Loan Receivable is equal to the total amount of the remaining principal amount of the Loan Receivable and accumulated and outstanding interest, and other ancillary claims assigned to the Issuer that form part of the Loan Receivable up to the date when the Repurchase was triggered.

If Repurchase rights or obligation is triggered, the relevant Series of Notes will be redeemed early in full or in part once the Issuer has received the repurchase price from the Lending Company or the payment from the SPV of received repayment from the Lending Company.

▪ **No credit enhancement**

The Notes have no credit enhancements and no liquidity support in relation to payment of interest or principal.

The Issuer, as a special purpose entity, has no obligation to make any payment on the Notes unless sufficient funds have been received from the SPV or the Lending Company. In turn, the SPV, is dependent on payments on the relevant Loans from the Lending Company, but the Lending Company, in turn, is dependent on payments on the relevant Borrowers' Loans from the Borrowers.

○ **THE TRANSACTION DOCUMENTS**

*The information in this section is a summary of certain features of the Transaction Documents provided for information purposes and will not be treated as the full binding text of the relevant agreement.*

## ▪ **The Cooperation Agreement**

### *General*

The Cooperation Agreement contains the agreement between the Issuer, the SPV, the Lending Company and Mintos on the matters outlined in the above section entitled '*THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES*'.

The Cooperation Agreement among other schedules contains a schedule sample of the Borrower's Loan Agreement.

### *Mintos*

Mintos acts as an assignment agent, placement agent, calculation agent, transfer agent and paying agent of the Issuer in relation to the Notes.

### *Loan servicing*

The Issuer has appointed the SPV as the servicer with service rights which includes any and all rights to:

- (a) service the Loan Receivables;
- (b) all agreements or documents creating, defining or evidencing the servicing rights to the extent they relate to the servicing;
- (c) collect all payments under the SPV Loan Agreements; and
- (d) maintain and use any and all servicing files and other data and information about the Loan Receivables, and about the past, present or prospective servicing of the Loan Receivables.

Within the scope of servicing obligations, the SPV has undertaken certain obligations, including:

- (a) to collect and process payments from the Lending Company;
- (b) to transfer payments from the Lending Company to the Issuer;
- (c) not to assign, transfer or create any encumbrance over any Loan Receivables; and
- (d) to take all reasonable actions to ensure that the Loan Receivables are not treated as the SPV's property and any pledge rights, prohibitions or other encumbrances in favour of the SPV, its creditors or administrators would not be attributed to the Loan Receivables.

The appointment of the SPV as the servicer can be terminated by written mutual agreement between the Issuer, the SPV, the Lending Company and Mintos only when the Issuer has settled all obligations under the Notes towards the Noteholders.

Subject to certain terms and conditions, the Issuer may, by notice to the SPV, the Lending Company and Mintos terminate the appointment of the SPV as the servicer and appoint another person as the servicer of the Loan Receivables.

### *Extensions*

The Lending Company may modify any of the Borrowers' Loan Agreements without approval of the

Issuer, provided that payments from the relevant Borrowers remain unchanged.

If provided in the Final Terms, the Lending Company may extend the repayment schedule of one or more of the Borrower's Loan Agreements without the consent of the SPV, Issuer or the Noteholders provided that (a) there is no event of default under any of the Borrower's Loans Agreement, (b) any change is restricted by 'Limit on the number of Extensions' and 'Total maximum time limit of Extensions' as specified in the Final Terms and (c) any change is notified on the Platform to the Noteholders. If the Borrower's Loan Agreement is extended, the SPV Loan Agreement that it is linked to is extended for the same period of time.

The Lending Company may also extend the repayment schedule of one or more of the Borrower's Loan Agreements without the consent of the Issuer, the SPV or the Noteholders to comply with any new law or regulation, amendment of any existing law or regulation, or any decision of any government or municipal provided that any change is notified on the Platform to the Noteholders.

#### *Representations and warranties*

The Lending Company has made certain representations and warranties relating to the Borrowers' Loans including:

- (a) all necessary and required procedures, checks and assessments have been performed to ensure the validity and enforceability of each of the Borrowers' Loan Agreements;
- (b) information and documents provided regarding each of the Borrowers' Loans, the Borrowers' Loan Agreements are true, correct and complete,
- (c) the Lending Company is the sole owner of the Borrower's Loans being provided as the source of repayment of the Loans, they are free and clear of all liens, pledges or encumbrances, other than as required or permitted by the Cooperation Agreement.

The Lending Company has represented and warranted that it has all necessary licences, permits and authorisations to conduct its business activities.

The SPV has made certain representations and warranties relating to the Loans, including on the validity and enforceability of each of the SPV Loan Agreements.

Each of the Issuer, the Lending Company, the SPV and Mintos has ensured the truth, correctness and completeness of all the documents and information being provided by it, as well as its compliance with applicable regulatory requirements.

#### *Covenants*

The Lending Company has covenanted to comply with certain financial and other covenants.

#### *Indemnities and penalties*

The Lending Company has agreed to pay the contractual penalties to Mintos, to the SPV, or the Issuer, as required by the Cooperation Agreement, for breach of certain obligations indicated in the Cooperation Agreement.

Each of the Issuer, the SPV, the Lending Company and Mintos has indemnified the others against any and all losses suffered by or incurred by the others arising out of or resulting from its breach under the Cooperation Agreement.

### *Material Events of Default*

The Cooperation Agreement contains an exhaustive list of events that constitute Material Events of Default. Material Events of Default under the Cooperation Agreement include events like:

- (a) non-payment by the Lending Company or the Guarantor under the Transaction Documents;
- (b) the Lending Company's non-compliance with the capitalisation ratio set in the Cooperation Agreement, and non-compliance by the Guarantor, if any, with the capitalisation ratio set for it;
- (c) events with respect to various other obligations: failure to fulfil some other obligations of the Cooperation Agreement; occurrence of a material event of default under other obligations referred to in the Cooperation Agreement;
- (d) an event of default, as such term is defined in this Base Prospectus, occurs, which such event of default is caused by fault, action or failure to act of the Lending Company, Guarantor and/or Pledgor;
- (e) any security documents (if any) having become invalid, unenforceable or likewise events occurring with respect to them as agreed in the Cooperation Agreement;
- (f) insolvency or insolvency proceedings of the Lending Company or any Guarantor or Pledgor occurs;
- (g) a creditor's process as agreed in the Cooperation Agreement is taking place;
- (h) misrepresentation by the Lending Company with respect to the information in this Base Prospectus that is sourced from the Lending Company and the later is responsible for;
- (i) cross-default and cross-acceleration or certain financial liabilities;
- (j) occurrence of circumstances in the area of AML (Anti Money Laundering) or sanctions non-compliance that require termination of cooperation with the Lending Company;
- (k) cessation of business by the Lending Company, the Guarantor or the Pledgor.

The above is not a precise wording of the Cooperation Agreement provisions on the Material Event of Default, it is just a description of their essence.

If any Material Event of Default occurs and is not cured and/or remedied, Mintos may stop:

- (a) generation of the SPV Loan Agreements and advancement of the SPV Loans to the Lending Company;
- (b) the execution of sales of the Loan Receivables to the Issuer;
- (c) the placement of the Notes on the Platform; and
- (d) the processing of submitted but not yet executed orders for subscription of the Notes.

Upon occurrence of a Material Event of Default Mintos may require the Lending Company to Repurchase all the Loan Receivables transferred to the Issuer.

Also, if a Material Event of Default occurs Mintos may change the servicer of the Loan Receivables.

Whether to exercise any or all of the above rights that Mintos has if any Material Event of Default occurs, is a decision that Mintos makes, acting as an authorized representative of the Issuer and the SPV in their best interests. It may be that even if a Material Event of Default has occurred, it may be cured or does not negatively affect the ability of the Lending Company to comply with its obligations under the Cooperation Agreement, or there are other legitimate reasons why Mintos should not exercise the said rights.

### *Term and termination*

The Cooperation Agreement continues until all liabilities of the Issuer, the Lending Company and Mintos according to its provisions are fully satisfied.

#### *Governing law*

The Cooperation Agreement and any non-contractual obligations arising out of, or in connection with it, is governed by and will be construed in accordance with the laws of the Republic of Latvia.

### **The Credit Line Agreement (also defined as the Cooperation Agreement on Issuance of Loans) and SPV Loan Agreements**

#### *General*

The Credit Line Agreement is constructed as a revolving facility agreement whereunder the Lending Company may receive Loans from the SPV within a maximum limit which as of the date of first Notes' issue hereunder is set at 3 000 000 EUR. Each Loan under the SPV Loan Agreement cannot exceed 95% of the amount of the Borrower's Loan that is indicated by the Lending Company as the source of repayment of the Loan.

#### *Rights and obligations of the parties*

The Lending Company is entitled to request disbursement of the Loans from the SPV with the available maximum limit, provided that the conditions precedent for such disbursements as agreed are met. Requests are made by the Lending Company sending information to Mintos according to the Cooperation Agreement through API about the Borrower's Loan it offers as the source of repayment. If the conditions precedent are not met, or other agreed circumstances occur, such as a Material Event of Default as such is defined in the Cooperation Agreement occurs, the SPV may refuse granting of Loans and hence the SPV Loan Agreement may not be concluded and the disbursement of the Loan would not take place.

When the SPV Loan Agreement is concluded the Loan is not immediately disbursed in full by the Lending Company. The Loan is advanced to the Lending Company in instalments. The instalments become committed by the SPV to the Lending Company when amounts are paid by the Noteholders for the Notes that the Loan is backing. On the Loan amount that is committed by the SPV, interest on reservation of the loan accrues, but on the Loan amount that is disbursed interest for use of the loan accrues. The rate for both interests is the same.

The SPV and the Lending Company have agreed that the Loans can be advanced to the Lending Company either by a transfer to the SPV's bank account or by the SPV setting off the amounts that have become due and payable from the Lending Company against the Loans that the SPV has become obliged to advance.

#### *Term and termination*

The Credit Line Agreement continues until all liabilities of the Lending Company according to its provisions are fully satisfied.

#### *Governing law*

The Credit Line Agreement and the SPV Loan Agreements and any non-contractual obligations arising out of, or in connection with, it is governed by and will be construed in accordance with the laws of the Republic of Latvia.

### **The Guarantee Agreement**

## *General*

Parties to the Guarantee Agreement (amended, restated and/or supplemented from time to time) are the Issuer, the SPV, Mintos (hereinafter in this section - Creditors), and the Guarantor, all together hereinafter in this section referred to as the Parties.

According to the provisions of the Guarantee Agreement the Guarantor guarantees to the Creditors the performance of Lending Company's obligations that may be incurred and arising from the Cooperation Agreement and all agreements on sale and purchase of the Loan Receivables according to the Cooperation Agreement, and the Cooperation Agreement on Issuance of Loans, and all SPV's Loan Agreements (hereinafter in this section - Principal Agreements), where from the Creditors' monetary claims against the Lending Company arises and agrees to be held liable for the performance of the said obligations of the Lending Company as the principal debtor itself.

The Guarantee Agreement defines a list of financial and other covenants, including negative covenants, that the Guarantor shall comply with during the term of the Guarantee Agreement. The failure to meet the covenants or breach of them leads to an event of default of the Guarantee Agreement and hence a Material Event of Default or Event of Default under the Cooperation Agreement.

## *Rights and obligations*

According to the provisions of the Guarantee Agreement the Guarantor undertakes before the Creditors the liability for the Lending Company's outstanding obligations under the Principal Agreements with all of its present and future assets.

In the event that the Lending Company has not fulfilled its obligations on the payment date under the Principal Agreements, the Guarantor as the principal debtor (Lending Company) after the receipt of written notification from Mintos shall pay within 5 (five) Business Days of receipt of such notice to the Mintos the whole amount of Lending Company's outstanding obligations indicated in the respective written notice.

The Guarantor ensures that the payment obligations assumed by the Guarantor under the Guarantee Agreement rank at least equally (*pari passu*) to other liabilities of the Guarantor and that position of the Creditors is not worsened against other creditors of the Guarantor neither in terms of payment priority, nor security.

## *Representations and warranties*

The Guarantee Agreement contains several representations and warranties made by the Guarantor. The Guarantor has represented and warranted, including, but not limited to the Creditors, that:

(i) the representatives of the Guarantor have all rights, internal corporate approvals and powers for entering into the Guarantee Agreement;

(ii) neither the signing and performance nor the compliance by the Guarantor with the provisions of the Guarantee Agreement shall conflict with or result in a breach or violation of any of the provisions of its articles of association, any agreement, licence, commitment or permit to which the Guarantor is a party or any judgement, order, injunction, decree or ruling of any court or governmental or local authority, to which the Guarantor is subject to.

(iii) the Guarantor has ensured truth, correctness and completeness of the documents and provided information, as well as their compliance with applicable regulatory requirements.

### *Indemnities and penalties*

Each Party shall indemnify the other Party against any and all losses suffered by or incurred by the other Party arising out of or resulting from a breach under the Guarantee Agreement, or any representation given in the Guarantee Agreement not being true or correct in any material aspect.

The Guarantee Agreement also defines in which cases the Guarantor shall pay the contractual penalties to the Issuer for the breach of obligations indicated in the Guarantee Agreement.

### *Term and termination*

The Guarantee Agreement continues to be valid and in legal force until all liabilities under the Cooperation Agreement are fully settled in accordance with its provisions.

### *Governing law*

The Guarantee Agreement and any non-contractual obligations arising out of, or in connection with, it is governed by and shall be construed in accordance with the laws of the Republic of Latvia.

## **The Pledge Agreement**

### *General*

Parties to the Pledge Agreement amended, restated and/or supplemented from time to time ("the Pledge Agreement") are the Lending Company as a Pledgor and the Issuer as a Pledgee (hereinafter in this section - the Parties).

The pledged assets are all existing and future monetary claims' rights to the Borrowers, that are not pledged in favour of other creditors and is the primary pledge (the pledge of the 1st rank) and the monetary value of which during the term of the Pledge Agreement is not less than the total value of the Lending Company's outstanding/current monetary obligations provided by the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans (the "Pledged Property").

The Pledged Property is identified in accordance with the agreement lists (the "List") confirmed by the Parties via the electronic platform or e-mail, the List should be in the form specified in the annex of the Pledge Agreement.

The Parties agree to update the List on a monthly basis as soon as possible but not later than within 3 (three) business days from the date of provided notification by the Pledgee to the Pledgor.

### *Pledgor's obligations and undertakings*

The Pledgor has the following obligations:

- a) properly keep and maintain the Pledged Property and to protect from any decrease in value and third party's claims;
- b) inform the Pledgee in writing immediately if there is a risk of decreasing of value of the Pledged Property;
- c) provide the Pledge with all necessary information related to the Pledged Property;
- d) not to dispose of, pledge, assign or otherwise encumber the Pledged Property except as provided by the law;
- e) not to delegate or assign its rights under the Pledge Agreement without a consent of the Pledgee.



The Pledgor undertakes that it will not dispose of (or agree to dispose of) any Pledged Property except in accordance with the Cooperation Agreement, Cooperation Agreement on Issuance of Loan, and the Pledge Agreement, without the prior written consent of the Pledgee, and in the manner prescribed by the laws of the Republic of Armenia and other legal acts, provided that in the case of alienation of the Pledged Property (or any part of), the Pledged Property shall remain encumbered by the pledge under the Pledge Agreement.

#### *Registration of the Pledge*

The secured interest over the Pledged Property shall be registered in the State Register Agency of Legal Entities of the Republic of Armenia (Ministry of Justice of the Republic of Armenia) (electronically in movable property securities register).

#### *Default and enforcement of the Pledge*

If the Pledgor fails to perform any monetary obligations stipulated under the Cooperation Agreement and/ or Cooperation Agreement on Issuance of Loans, the Pledgee may satisfy its claims at the expense of Pledged Property without resort to a court by either sale on behalf of the Pledgor through direct sales or public biddings of the Pledged Property or taking ownership over the Pledged Property, upon the regulations, stipulated by the law.

The Pledgee may take ownership of the Pledged Property or sell the Pledged Property after having send prior written notice via registered letter with confirmation of its receipt or via official email, or delivered in person at the address, provided by the Pledge Agreement, with the confirmation of the receipt to the Pledgor to cure any breach and on satisfaction its claims at the expense of Pledged Property without resort to a court. If such breach is not cured within the mentioned term, the Pledgee may initiate the alienation process.

The Pledgee shall notify the Pledgor in detail regarding the specific loan agreements that it intends to seize on the basis of the Pledge Agreement and related terms of alienation.

The Pledgee may choose any property from the Pledged Property at its sole discretion to satisfy its secured outstanding amounts. At the same time, if the proceeds from the Pledged Property exceeds secured outstanding amounts arising out of the Cooperation Agreement and Cooperation Agreement on Issuance of Loans, such amounts shall be returned to the Pledgor.

The Parties agreed that the notary is entitled to issue inscription note for the performance of the Pledgee's demand in connection with or arisen of or relate to the Pledge Agreement and which is about transfer of the property (including property rights) and/or documents and/or ownership rights from the Pledgor should the Pledgor fail to fulfil its obligations under the Pledge Agreement.

#### *Governing law*

The Pledge Agreement and any non-contractual obligations arising out of, or in connection with, it is governed by and shall be construed in accordance with the laws of the Republic of Armenia.

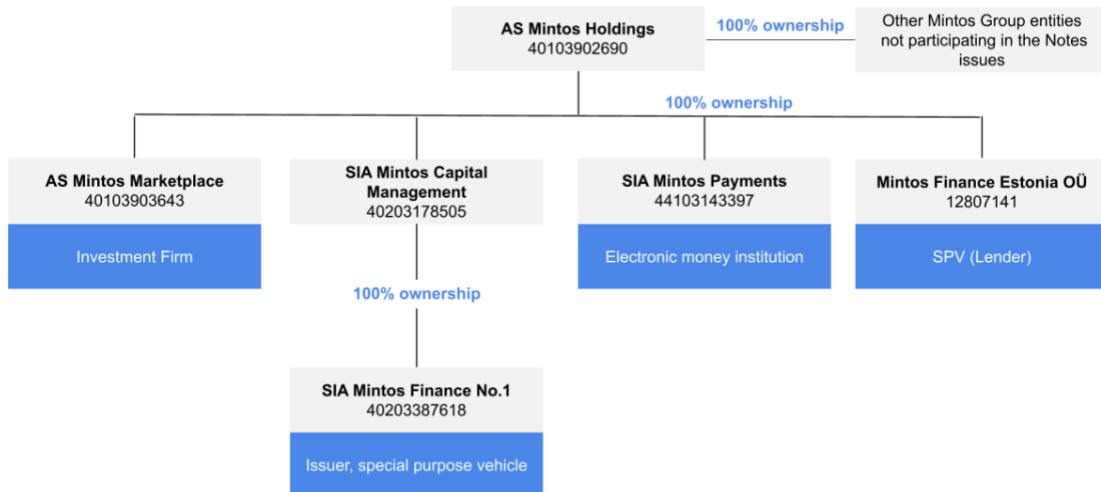
## 5. THE ISSUER

### ○ General

The Issuer is a special purpose undertaking established for the sole purpose of issuing and offering Notes to Investors on the Platform, which are backed by the Loan Receivables acquired from the Lending Company. The Issuer does not take part in any other business activities.

The Issuer is incorporated as a limited liability company and registered in the Commercial Register of the Enterprise Register of the Republic of Latvia on 18 March 2022 under the name SIA Mintos Finance No.1 with registration number 40203387618. It operates under the laws of the Republic of Latvia and has its registered office at Skanstes street 52, Riga, LV-1013, Latvia. The Legal Entity Identifier (LEI) of the Issuer is: 984500B4065C92C4FC69.

The registered share capital of the Issuer is EUR 2800 consisting of 2800 shares each having a nominal value of EUR 1. Each share is entitled to one vote. The sole shareholder of the Issuer is SIA Mintos Capital Management, registration No 40203178505.



The Issuer has no subsidiaries and does not own any shares or equity.

The Issuer is managed by the Management Board, the members being appointed by the sole shareholder of the Issuer.

Title	Name	Other roles
Chairman of the Management Board	Martins Sulte	Chairman of the Management Board of AS Mintos Holdings, SIA Mintos Capital Management, SPV and Mintos
Member of the Management Board	Martins Valters	Member of the Management Board of AS Mintos Holdings, SIA Mintos Capital Management, SPV and Mintos

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, the current articles of association (Statutes) of the Issuer can be accessed on [www.mintos.com](http://www.mintos.com).

- **Activities**

The activities of the Issuer are as follows:

- issue and publicly offer Notes to the Investors, including preparation, submission to the NCA and publication on the Platform of this Base Prospectus;
- purchases of Loan Receivables from the SPV arising from the Loans issued to the Lending Company;
- payments under the Notes through Mintos, subject to receiving relevant funds from the SPV and/or Lending Company; and
- publication of financial and other information to Investors in accordance with applicable law.

- **Financial information**

The Issuer has commenced its operations in Q2 2022, and accordingly, financial statements for 2022 are prepared for its operations period. The financial statements are prepared in accordance with the Latvian Generally Accepted Accounting Principles (GAAP).

For accounting purposes, Loan Receivables are classified as a pass-through of a financial asset under International Financial Reporting Standard (IFRS) 9 3.2.5.

The appointed auditors of the Issuer for the financial year 2022 are "KPMG Baltics SIA", registered in the Republic of Latvia on 16 December 1994 with registration number 40003235171.

[Audited Financials data 2022](#)

- **Authorisation**

The establishment of this Programme and the issue of Notes have been duly authorised by decisions of the sole shareholder of the Issuer on 07.09.2023.

- **Significant or material change**

At the date of this Base Prospectus, there has been no significant or material change in the financial position of the Issuer since the date of incorporation of the Issuer.

- **Litigation**

The Issuer (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.

## 6. MINTOS

Mintos, under the name AS Mintos Marketplace, was registered as a joint-stock company on 1 June 2015 in the Commercial Register, Enterprises Register of the Republic of Latvia with the unified registration number 40103903643.

All the shares in Mintos are held by AS Mintos Holdings.

Mintos has been authorised as an investment firm by the NCA on 17 August 2021 to provide following investment services and ancillary services:

- execution of orders on behalf of clients;
- dealing on own account;
- portfolio management;
- investment advice;
- placing of financial instruments without a firm commitment basis;
- holding of financial instruments;
- currency exchange services, if they are related to the provision of investment services;
- providing investment research, financial analysis or other general advice regarding transactions in financial instruments; and
- provision of services related to the initial placement of financial instruments.

Mintos provides services in Latvia, France, Germany, Italy, Spain and Poland. Mintos has not commenced provision of services in other countries as of the date of this Base Prospectus, but may do so during the validity period of this Base Prospectus.

Cash funds of Investors are held by Mintos with one of the partner banks including AS LHV Pank (Estonia).

Mintos owns and operates the Platform which is the technical infrastructure through which (a) the Lending Company sells Loan Receivables to the Issuer, (b) the Issuer offers and sells Notes to Investors and (c) information exchange and money flows occur between Investors, the Issuer and the Lending Company.

- Key activities performed by Mintos with respect to Notes are as follows:
  - Opens and services Investment Accounts for investors and (a) carries out anti-money laundering, combating the financing of terrorism and know your client policies and procedures, (b) carries out appropriateness and suitability tests, (c) responsible for compliance with product governance requirements and (d) informs Investors regarding the risks inherent in the products and services depending on the status of the Investor.
  - Prepares this Base Prospectus and engages lawyers and other advisors and submits it to the NCA for approval.
  - Operates the Platform for (a) Investors to acquire Notes, exchange currencies related to

investment services and transactions with Notes and receive automated portfolio management services and (b) the Issuer and the Lending Company to transfer title in the Loan Receivables and exchange information in relation to the Loan Receivables.

- Acts as an assignment, placement, calculation, transfer and paying agent for the Notes including (a) transfer of funds to the Issuer following placement of Notes, (b) settlement of payments due between the Issuer and the Lending Company, (c) payments to the Investment Accounts, (d) provides information regarding Investors to the Issuer to calculate any withholding taxes on payments and (e) provides information on Payment Events through API from the Lending Company.
- Maintains the register of Noteholders.
- Complies with the Transaction Documents including monitoring of compliance of the Lending Company with the covenants and other provisions of the Transaction Documents. See the section entitled '4. TRANSACTION OVERVIEW – *TRANSACTION DOCUMENTS*' of this Base Prospectus for more information.
- Prepares and submits reports for legal and regulatory purposes to the NCA, the Latvian State Revenue Service and others.

## 7. THE SPV (LENDER)

### o Business overview

The SPV is a special purpose undertaking established for the sole purpose of issuing loans to the Lending Company as well as several other lending companies that Mintos cooperates with and selling those loans to the issuers for issuance of financial instruments as well as directly to the investors on Mintos Platform when the investors make investments by way of assignment agreements. Loan Receivables sold to the Issuer back the Notes issued and offered to Investors on the Platform. The SPV does not take part in any other business activities.

The SPV is incorporated as a private limited liability company and registered in the Registration department of Tartu County Court, Estonia on 27 February 2015 under the name Mintos OÜ (changed to Mintos Finance Estonia OÜ in 2018) with registration number 12807141. It operates under the laws of the Republic of Estonia and has its registered office at Harju maakond, Tallinn, Haabersti linnaosa, Meistri tn 14, 13517, Estonia.

The share capital of the SPV is EUR 2500 consisting of 1 share in registered form having a nominal value of EUR 2500, which is fully paid up. The share is entitled to one vote. The sole shareholder of the SPV is AS Mintos Holdings.

The SPV has no subsidiaries and does not own any shares or equity.

The SPV is managed by the Management Board, the members being appointed by AS Mintos Holdings as the sole shareholder of the SPV.

Title	Name	Other roles
Member of the Management Board	Martins Sulte	Chairman of the Management Board of AS Mintos Holdings, Mintos, SIA Mintos Capital Management and Issuer
Member of the Management Board	Martins Valters	Member of the Management Board of AS Mintos Holdings, Mintos, SIA Mintos Capital Management and Issuer

### o Activities

The activities of the SPV are as follows:

- issue Loans to the Lending Company and loans to other lending companies that use Platform;
- sell Loan Receivables that arise from Loans to the Issuer;
- transfer Loan repayment received from the Lending Company to the Issuer;
- publication of financial and other information to Investors in accordance with applicable law.

### o Loans

The Lending Company issues Borrowers' Loans to Borrowers, then requests disbursement of a loan from the SPV in amount that is no more than 95% of the principal amount of each Borrower's Loan, and

then the SPV sells the relevant Loan Receivables to the Issuer. The Issuer issues a Series of Notes corresponding to these Loan Receivables to Investors via Mintos. When an Investor purchases any Note of the Series, the Investment Accounts are credited with the Note and debited with the purchase price of the Note. The purchase price is transferred to the SPV. After receipt of the purchase price the SPV makes the disbursement of Loan to the Lending Company.

Loans issued by the SPV to the Lending Company have the same schedule as the Borrowers' Loans to which the repayment of Loans is tied to. Hence, the average Loan term and its range are expected to be the same as described in the Section '10.THE BORROWER'S LOANS'. As the Loan cannot be more than 95% of the principal amount of the Borrower's Loan to which the repayment of the Loan is tied to, the average Loan amount and its term is expected to be no more than 95% of the values described in the Section '4. TRANSACTION OVERVIEW'.

Loans are secured by a pledge as described under the Transaction Documents section.

- **Financial information**

The latest available financial information of the SPV is prepared in EUR currency and is available on Mintos website:

Financial statements 2020 (not audited)

Financial statements 2021 (not audited)

Financial statement 2022 (audited)

For the financial year ended 31 December 2020 and 31 December 2021 the SPV was entitled to exemption from audit under section § 91 and § 92 of the Auditors Activities Act of the Republic of Estonia.

At the date of this Base Prospectus, there has been no significant or material change in the financial position of the SPV.

- **Auditors**

The appointed auditors of the SPV for the financial year 2022 are "KPMG Baltics AS", registered in the Republic of Latvia on 16 December 1994 with registration number 40003235171.

- **Litigation**

The SPV (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the SPV is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the SPV.

## 8. THE LENDING COMPANY

### ○ **Business overview**

The Lending Company is a licensed financial service provider established on 23.06.2017, and based in Armenia, and it operates as a limited liability company under the laws of the Republic of Armenia. The Lending Company is registered with the Central Bank of Armenia under No. 42.

The business model of the Lending Company is built around high demand for quality second-hand vehicles, and it is realised through an innovative, data-driven and fast process led by IT investments together with strong controls, efficient debt collection process, and direct footprint of partnership and broker network. With a focus on secured lending against used vehicle titles, the Lending Company has unlocked a niche market for financial services and is a first mover in this sector benefiting from economies of scale and competitive advantage driven by the above-mentioned factors, as well as a wealth of experience gained in operating in other similar markets.

### ○ **Borrowers' Loans**

The two main products of the Lending Company are (i) financial leasing, where the services of the company are used by customers to acquire the vehicles, and (ii) leaseback financing, where the customer uses his/her own vehicle as a security to obtain financing. One of the key competitive advantages offered by the Lending Company is the ability to underwrite, score, and evaluate the underlying security (the vehicle) and complete the financing and title change process in a very timely manner. The target borrower for the Lending Company is consumers and small and medium enterprises, as well private entrepreneurs All borrowers are residents of the Republic of Armenia.

The unique feature for the Borrowers is the Landing Company's ability to issue loans fast with the help of their all-automated issuance process, which results in the majority of the loans issued within 2 days. The average loan amount for a vehicle leasing loan is Armenian dram (AMD) 1.5m and it ranges from AMD 350k to AMD 20 millions. The average term of leasing and leaseback products is 41 months, and their term range is 24 - 120 months. Loans are issued in Armenian dram.

### ○ **Financial information**

The latest available audited historical financial information of the Lending Company prepared according to the International Financial Reporting Standards (IFRS) is available on Mintos website (the currency used in the financial reports is Armenian dram (AMD)):

[Audited financials 2020](#)

[Audited financials 2021](#)

[Audited financials 2022](#)

### ○ **Auditors**

The statutory auditors of the Lending Company audited financial statements as of and for the financial years ended 31 December 2022 was "BDO Armenia" CJSC incorporated under the laws of the Republic of Armenia, having its registered office at 23/6 Davit Anhaght Str, Yerevan, 0069, for 31 December 2021 and 31 December 2020 was "KPMG Armenia" LLC, incorporated under the laws of the Republic of Armenia, having its registered office at 3 Erebuni Plaza Business Center, Vazgen Sargsyan st. 26/ 1, Yerevan, 0010.



- **Litigation**

The Lending Company (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Lending Company is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Lending Company.

- **Loans issuance process**

The steps in the financial leasing and leaseback underwriting process include, in order: (i) Borrower application for a financing product, (ii) Borrower registration and identification, (iii) risk assessment and scoring with respect to the Borrower and the collateral, and (iv) agreement on and issuance of the financing product.

- **Loans underwriting**

In every country Eleving Group operates, the underwriting process is automated to the maximum possible extent. The issuance policy in each country sets a detailed process overview including business “hard” rules (e.g., age limits, eligible customers, revenues, vehicles, indebtedness levels), fraud rules and scoring models for decision making.

During the Borrowers’ Loan application processing, the preliminary data in each application are cross-checked and supplemented. If needed, the potential Borrower is asked for further information, preliminary fraud and blacklists checks are performed and, in the case of secured loans, vehicles are automatically valued. During the loan application processing, the most important steps are the verification of the potential Borrower’s eligibility for the Lending Company’s financing, based on the information related to the Borrower’s financial, economic and reputational information and also based on the financing terms applied (advance payment, length, exposure, type of vehicle being financed). After such steps are successfully completed, the potential Borrower receives a preliminary offer.

During the risk assessment and scoring evaluation stages, credit databases are checked, potential Borrower’s income information analysed, customer indebtedness calculated and evaluated. The internally developed scoring tool, while considering parameters designed for each local market and being in compliance with local regulatory requirements, gives a clear score that enables an informed granting decision. With the increase of the Borrower’s Loan portfolio, the scoring models are updated with newly available data.

With respect to financial lease and leaseback, typically, vehicles are physically checked by the Lending Company’s customer service team or authorized partners before a decision on the loan application is taken. Final adjustments on the Borrower’s Loan amount and other terms are made and documents to be signed are automatically generated.

- **Loans issuance and disbursement**

The loan documentation is signed electronically by e-signature and also physically in the Lending Company’s branches. The loan disbursement process depends on the product. In the case of the leaseback product, generally bank transfers are used, which are usually performed automatically by way of batch payments. For financial leasing products, after the Borrower has made a down-payment, the Lending Company makes a bank payment directly to the seller of the vehicle.

- **Debt recovery management**

Eleving Group has established an efficient and effective debt collection process in each country where it operates. Eleving Group has a dedicated team in each country and follows debt collection practices that are fully compliant with local regulations. Eleving Group's strategy is focused on maximising the dialogue with the customers. When the Lending Company assesses that the Borrower can repay its loan, it offers various options and tailors the offers to such customers. When the Lending Company assesses that the customer will not be able to continue a successful relationship, a quick and efficient repossession of the collateral and subsequent sale of it is strived while maintaining full transparency with the Borrower about the process.

In all the jurisdictions where it operates, Eleving Group adjusts its approach based on the stage of the overdue loan (Eleving Group classifies a loan as non-performing if it is more than 35 days overdue):

1) Before the loan becomes overdue, the Lending Company has an automated reminder process that ensures that the client is aware of the upcoming payment and payment details. All bank transfers are completed online and reminder emails and invoices are automatically processed and sent to the Borrower.

2) Since payment is 1 day overdue, the Lending Company launches its automated reminder system (auto-calls, texts, e-mails) mixed with physical calls from the inhouse debt collection team. The Borrower is informed about the overdue amounts, the further actions if payment will not be made, and the Lending Company's contacts to discuss the potential options. The Lending Company constantly monitors the effectiveness of the debt collection strategy and mix of automated against human based solutions.

3) The overdue loan is terminated before the overdue reaches 50 days if the applied debt collection strategy is not efficient. After agreement termination, the Borrower is still offered to renew the terminated agreement and settle the delayed amount. Another option is to voluntarily return the vehicle. When this approach is not successful, the Lending Company's in-house car repossession experts work with the Borrowers to recover the collateral.

4) After vehicle repossession, the vehicle is put up for sale in the Lending Company's car lot. Before the sale, the car is repaired, washed and prepared for sale. The whole process, including car preparation until the sale of collateral, takes up to 80 days. The outstanding debt (if any) is then recovered through an unsecured recovery process of the Lending Company and using debt collection services or sold to external debt recovery agencies (depending on the country).

To ensure consistent quality of debt collection operations across the group, Eleving Group has developed group-wide debt collection service standards that include (i) debt collection principles, (ii) best practices and requirements for the debt collection department and (iii) internal procedures for each country in order to ensure effective knowledge sharing and continuous improvement of operations. On a daily basis, the debt collection organisation is improved through regular benchmarking, experience sharing, and targeted projects supervised by the Eleving Group's operations team to roll-out best practices across the group. The result is that the Lending Company typically recovers 60+% of non-performing loans in the car lease segment through either repossessing the car, renewing the loan, buyout or settlement with the Borrower.

- **Administrative, management and supervisory bodies**

The following table shows the main administrative, managerial and supervisory positions of the Lending Company.

Name	Position / function	Education and business experience summary
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Hakob Manukyan	Sole General Director	Hakob has been working at Mogo Armenia Since 2017. He started as head of the customer services division, and afterwards was promoted to COO, and in 2019 to deputy CEO. From December 2020, Hakob is the CEO of Mogo Armenia. Hakob has more than 12 years of experience in the financial and banking sector in Armenia. Most recently he spent approximately 4 years in one of the biggest banks of Armenia as the head of the monitoring division. Hakob holds a PhD degree in economics.
Valerij Petrov	Chairman of the Supervisory Board	Valerij Petrov worked as COO in Eleveling group located in Lithuania from July 2014, later from January 2018 until January 2019 executed as Country Manager, and now is Regional CEO. He holds a BA in Economics from Vilnius University and MA in Law and International business from International Business School. He has gained experience in business development acting as the Head of Business development in Energijos Tiekimas – a leading retail electricity supply company (part of Lietuvos Energija group) in Lithuania, where he was responsible for new product development and expansion to the new markets
Vladislavs Mejertāls	Member of the Supervisory Board	Vladislavs Mejertāls has graduated Stockholm School of Economics and obtained a Master's degree (MBA) and since 2019 Vladislavs is the regional COO of AS "Eleveling Stella", which currently oversees mogo markets in Latvia, Lithuania, Romania, Moldova, and Belarus. Before joining Eleveling Group, he has gained significant experience in the non-bank lending and debt collection industries, managing the non-bank lending company Wandoo Spain, and also working for more than six years at ASA B2Holding group companies in the Baltics.
Neringa Plauškiene	Member of the Supervisory Board	Neringa Plauškiene holds a B.Sc degree in Finance from Vilnius University. In 2019 June she joined Eleveling Group (former Mogo Finance S.A.) as a regional CFO at AS "Eleveling Stella" which currently oversees the companies in Latvia, Lithuania, Romania, Moldova, and Belarus markets. Before joining Eleveling Group, she has

		gained extensive experience in the finance field working more than five years at the energy and utility sector, as well as almost six years at the audit department at EY Lithuania.
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- **Shareholders**

In 2023 the share capital of the Lending Company was increased up to Armenian dram (AMD) 2.670.000.000 and it is divided into 267,000,000 fully paid-up shares with the nominal value of AMD 10 each.

100% of the Lending Company's issued participation rights are held by the AS Elevation Luna, registration number: 40203145805 (Latvia).

## 9. THE LOANS

### ○ **Legal nature, jurisdiction and the applicable law of the Loans**

The Loans are business loans made under the Cooperation Agreement on Issuance of Loans and the respective SPV Loan Agreements concluded thereunder. The Cooperation Agreement on Issuance of Loans is an agreement of the respective parties on a revolving credit line with a maximum amount that is permitted for the Loans thereunder.

The interest for the reservation of funds and interest for use of the Loan accrue at the same rate. The interest for the reservation of funds accrues from the day when the SPV Loan Agreement was concluded until the Loan is advanced to the Lending Company, and from when the Loan is advanced the interest for the use of the Loan applies.

The Cooperation Agreement on Issuance of Loans and the SPV Loan Agreements is in the English language.

For more information on the Cooperation Agreement on Issuance of Loans see section entitled '4. TRANSACTION OVERVIEW – *THE TRANSACTION DOCUMENTS* – The Cooperation Agreement on Issuance of Loans'.

### ○ **Repayment and maturity**

The principal amount, the interest for the reservation of funds and interest for use of the Loan are payable when the Borrower of the Borrower's Loan that is the source of repayment of the respective Loan makes a payment thereunder to the Lending Company, however no later than until the maturity date set forth in the SPV Loan Agreement or as extended according to this Base Prospectus.

If before the final maturity date set forth in the SPV Loan Agreement the Repurchase obligation or rights are triggered or if the Buyback Obligation applies the Lending Company has to repay the Loan together with the interest and other ancillary payments accrued thereon when the respective obligation or right is triggered, irrespective of it being before the final maturity date.

For more information see section entitled '4. TRANSACTION OVERVIEW'.

### ○ **Security**

The obligations of the Lending Company arising out of the Cooperation Agreement on Issuance of Loans are secured by a pledge established under the law of the Republic of Armenia over certain receivables of the Lending Company against its borrowers arising out of the Borrowers' Loan Agreements up to certain amount prescribed by the Pledge Agreement.

For more information see section entitled '4. TRANSACTION OVERVIEW'.

### ○ **LTV (loan to value)**

The maximum LTV for the credit line issued under the Cooperation Agreement on Issuance of Loans is 83%.

## 10. THE BORROWERS' LOANS

### ○ **Legal nature, jurisdiction and the applicable law of the Loans**

The Borrowers' Loans are consumer loans made under the Borrowers' Loan Agreements.

The Borrower repays to the Lending Company the principal amount of the Borrower's Loan, interest and monthly service fees. The monthly service fee is calculated on a monthly basis against the loan residual balance as of the previous repayment date. The Borrower as well is obliged to pay the lump sum loan fee to the Lending Company before the Borrower's Loan is provided.

The Borrower's repayments shall be settled in the following manner: expenses incurred by the recovery process shall be repaid first, followed by the penalty on monthly service fee, overdue interest, overdue principal, overdue service fee, interest, principal, accrued but unpaid service fee, interest, principal.

The performance of the Borrower's obligations is secured by the pledge of the vehicle which is the object of the sale contract entered into by and between the Lending Company, the Borrower and the third-party seller, and which is specifically linked to the Borrower's Loan Agreement.

The Lending Company is entitled at its sole discretion by notifying the Borrower to refuse to grant the Borrower's Loan or terminate the Borrower's Loan Agreement or to accelerate the repayment of the Borrower's Loan in case (i) the Borrower is in breach of its payment obligations or (ii) fails to fulfil its obligations under the Borrower's Loan Agreement or (iii) occurrence of other events prescribed by the Borrower's Loan Agreement. In such case the Borrower shall prematurely fulfill its obligations within 7 (seven) days from the notice received from the Lending Company.

The Borrower's Loan Agreement is subject to the amendment and/or variation from time to time as provided in the section entitled '4. TRANSACTION OVERVIEW – *THE TRANSACTION DOCUMENTS* – Extensions' of this Base Prospectus.

The Borrower's Loan Agreement is in the Armenian language. The Lending Company has provided an English translation of the Borrower's Loan Agreement for informational purposes and it is available at [www.mintos.com](http://www.mintos.com). Any discrepancy or difference due to the translation is not binding and has no legal effect. Neither the Issuer nor Mintos bears any responsibility for the accuracy of the English translation from the Loan Agreement in the Armenian language.

The Borrower's Loan Agreement is governed by the laws and regulations of the Republic of Armenia.

### ○ **Repayment and maturity**

Under the Borrower's Loan, the Borrower repays the principal amount of the Borrower's Loan, interest and monthly service fees on an annuity basis in accordance with the pre-agreed repayment schedule. In case of any changes to the repayment schedule the Borrower shall perform its obligations under the amended version of the repayment schedule. The annual percentage rate (APR) ranges from 39% to 72%. The term ranges from 24 months to 120 months with the average term being 41 months.

The Borrower's payment obligations may be settled by third parties.

In case of failure to pay due debt on the terms specified in the repayment schedule, the Borrower shall pay a penalty to the Lending Company at the rate of 0.13% of the unpaid debt (service fee, interest and principal). Maximum penalty charged to the Borrower on a single loan cannot exceed 100% of the principal amount of the said loan.

- **Economic environment in Armenia**

Armenia's economy has shown resilience to recent shocks thanks largely to prudent macroeconomic management – a flexible exchange rate, active inflation targeting regime, effective fiscal rule – and a sound financial sector. Despite these many achievements, however, Armenia's economy continues to face structural challenges, such as the need for further improvement in the business and investment environment, high unemployment, lingering labour skills mismatches, and weak firm competitiveness. Although the economy has performed better than anticipated in early 2022, geopolitical challenges continue to weigh on Armenia's medium-term growth prospects. The strong economic performance in recent months led to an upgrade of growth for 2022 to 7 percent. Inflationary pressures eased in late 2022 and are projected to continue in the coming years, as external price pressures subside and inflation targeting helps keep expectations anchored. The budget deficit was lower than planned in 2022 (at around 2 percent of GDP). As the economy decelerates in 2023, the fiscal stance may loosen, with consolidation expected to continue in 2024 and 2025.

- **General description of the Borrowers**

The Borrowers of the Lending Company are mainly consumers and small and medium enterprises who prefer to own used vehicles that are not financed by traditional bank loans due to low size tickets and entail complicated IT solutions. The convenient and fast process offered by the Lending Company is highly valued by the customers who are looking for a flexible and fast solution to obtain a vehicle.

The Borrowers are predominantly male constituting around 85% of all loan portfolio with a diverse distribution of income levels and occupations; the ages typically range from 30 to 37 years. 100% of Borrowers are residents of Armenia.

- **Loan portfolio data**

As of 30 June 2023, the Lending Company's total portfolio of gross receivables was 24 million EUR. The tables below show the Lending Company's vehicle loan portfolio in terms of Days Past Due (DPD) and Loan-to-Value (LTV) for vehicle loan products.

*Vehicle Loans portfolio breakdown by DPD*

<b>Days Past Due</b>	<b>2022Q1</b>	<b>2022Q2</b>	<b>2022Q3</b>	<b>2022Q4</b>	<b>2023Q1</b>	<b>2023Q2</b>
Current %	65.95%	64.69%	63.98%	65.74%	65.40%	66.47%
1-30 days %	5.31%	6.06%	5.98%	4.86%	4.83%	5.03%
31-60 days %	1.26%	1.05%	0.78%	0.81%	1.19%	0.74%
61-90 days %	0.67%	0.68%	0.62%	0.28%	0.55%	0.34%

91-120 days %	0.34%	0.42%	0.65%	0.41%	0.38%	0.28%
121-150 days %	0.38%	0.47%	0.45%	0.40%	0.32%	0.39%
151-180 days %	0.32%	0.46%	0.54%	0.26%	0.13%	0.32%
>180 days %	25.77%	26.17%	27.00%	27.24%	27.22%	26.43%

*Vehicle Loans issuance breakdown by LTV*

In terms of LTV, the vast majority of the Lending Company's vehicle loans fell between 50% and 80% LTV for the past 6 quarters.

<b>LTV</b>	<b>2022Q1</b>	<b>2022Q2</b>	<b>2022Q3</b>	<b>2022Q4</b>	<b>2023Q1</b>	<b>2023Q2</b>
<20%	2.65%	2.70%	1.78%	1.89%	2.20%	2.29%
20-50%	18.09%	15.80%	19.38%	20.18%	20.61%	21.56%
50-70%	26.21%	27.11%	28.18%	27.62%	27.14%	26.93%
70-80%	29.18%	30.64%	31.06%	29.58%	28.65%	27.99%
>80%	23.87%	23.75%	19.60%	20.74%	21.40%	21.23%



## 11. THE GUARANTOR

The Guarantor in accordance with the Guarantee Agreement guarantees the Lending Company's obligations towards the SPV, the Issuer and Mintos. The Guarantor is not guaranteeing Mintos, the SPV or the Issuer's obligations towards the Investors.

See the section entitled '4. TRANSACTION OVERVIEW – *THE TRANSACTION DOCUMENTS* – The Guarantee Agreement' of this Base Prospectus for more information on the Guarantee Agreement.

### ○ **Business overview**

Eleving Group (formerly - Mogo Finance S.A.) is a public limited liability company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with Luxembourg trade and companies register (Registre de Commerce et des Sociétés de Luxembourg).

The Guarantor's purpose is to invest, acquire and take participations and interests, in any form whatsoever, in Luxembourg or foreign companies or entities having a purpose similar to the purpose of the Guarantor and to acquire through participations, contributions, purchases, options or in any other way any securities, rights, interests, patents, trademarks and licences or other property as the Guarantor shall deem fit, and generally to hold, manage, develop, encumber, sell or dispose of the same, in whole or in part, for such consideration that is in the corporate interest of the Guarantor.

Eleving Group is an international and fast-growing Financial Technology company with a vast reach across the globe. Operating in 3 continents, Eleving Group's companies recognize the niche underserved by conventional lenders and provide financial inclusion by disruptively changing used car and consumer financing industry.

Eleving Group was founded in 2012 in Latvia under the brand name Mogo (rebranded from Mogo Finance to Eleving Group in May 2021). Having expanded to all the Baltics within a year of launch, Eleving Group continued expansion in the following years, serving a total of 14 active markets as of the end of 2021. Eleving Group has disrupted the used vehicle market as well as the way people's social mobility can be elevated through the access to convenient and responsible lending.

In 2021 having two business lines – vehicle finance and consumer finance, Eleving Group provides a variety of products and services with different brands, thus, filling the funding gap and creating new opportunities for people who previously did not have access to finance or to private means of transportation.

Mogo is a leading brand in Eleving Group's vehicle financing product portfolio and its core products are finance lease and leaseback that are provided to customers via websites, mobile channels and a broad dealer/ broker and branch network across 11 active markets. In various markets through different brands (Renti, Primero) the company also provides rent-to-buy services, motorcycle financing and finance of more expensive vehicles through strategic collaboration with local banks. The proven business model is built around high demand for quality used vehicles and it is realised through an innovative, data-driven, and fast process led by IT investments together with strong control and efficient debt collection process.

Eleving Group's consumer finance business entities, acquired in 2020, focus on the markets where there are both – necessity for financial inclusion and underserved communities by the conventional finance industry. In most cases there is no "middle way" between hard-to-access bank financing and very limited and expensive short-term loans. In the majority of markets where Eleving Group's consumer finance companies operate, there are cash economy market conditions, thus our companies are often the only ones which offer both – online and offline customer service experience. While having more than 90 branches across 3 active markets, Eleving Group companies are offering flexible financial

products from credit line to instalment loan with focus to provide accessibility to substantial amounts of money in the most convenient way with affordable rates.

Entering the post-pandemic landscape, the main objective of Eleving Group for 2022 is to consistently and profitably grow within the current markets and current product base.

Eleving Group expects that the following lending companies will enter and maintain legal relations with the Issuer during the term of this Base Prospectus with the aim of issuing loans backed and contingent notes according to the relevant prospectuses:

No.	Legal name	Registration No.	Domicile	Lending products offered
1.	MOGO AUTO LIMITED	PVT-AJUR7BX	Kenya	Leasing and leaseback
2.	AS mogo	50103541751	Latvia	Leasing and leaseback
3.	AS Renti	40203174147	Latvia	Long-term rent product
4.	MOGO UCO LLC	42	Armenia	Leasing and leaseback
5.	Mogo LLC	404468688	Georgia	Leasing and leaseback
6.	UAB MOGO LT	302943102	Lithuania	Leasing and leaseback
7.	UAB Renti	305653232	Lithuania	Long-term rent product
8.	O.C.N. "MOGO LOANS" S.R.L.	1017600033216	Moldova	Leasing and leaseback
9.	MOGO IFN S.A.	J40/5043/2016	Romania	Leasing and leaseback
10	Mogo OÜ	12401448	Estonia	Leasing and leaseback

○ **Business strategy description**

Eleving Group's strategy is to be a leading mobility platform, by providing a wide range of vehicle financing products, as well as to maintain a similar product mix with  $\frac{3}{4}$  of secured portfolio and up to  $\frac{1}{4}$  of unsecured portfolio. This will be achieved by consistent and profitable growth built on four main pillars: (i) instant financing access, (ii) diversified car dealers – partners network, (iii) tailored product portfolio, (iv) diversified funding.

In 2023 Eleving Group intends to continue to develop its current set of 14 active markets with particular focus on productive lending in the fastest growing markets; to develop premium car financing solution

by engaging in mutually beneficial strategic partnerships with local banks; to continue further digitalization across the key business areas and maintain stricter underwriting policies in place. To pursue Eleving Group`s ESG goals, Eleving Group has published a group-wide non-financial statement and launched several social initiatives, in the coming future focusing on neutralising Eleving Group's carbon footprint.

The backbone of the growth of Eleving Group is to have access to diversified and efficient funding sources. Diversification in the capital structure is the key for further growth in the future including the issue of senior secured bonds as well as funds attraction through loans' backed and contingent notes and Mintos Platform.

○ **Key financial information regarding the Guarantor**

The tables below present key selected audited consolidated financial information for the Guarantor as at and for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022. Selected statement of comprehensive income data of the Guarantor (in million EUR)

	2020	2021	2022
Total comprehensive income for the year	0.1	9.7	23.8

Selected statement of financial position data of the Guarantor (in million EUR)

	2020	2021	2022
Net financial debt	214	231	230
Current ratio	1.4	2.5	2.3
Debt to equity ratio	6.5	5.0	3.4
Interest cover ratio	1.6	2.3	2.4

Selected statement of cash flows data of the Guarantor (in million EUR)

	2020	2021	2022
Net cash flows from operating activities	18.2	-22.2	-0.9

Net cash flows from financing activities	-8.2	12.5	9.1
Net cash flows from investing activities	-9.3	10.5	-4.6

The consolidated financial statements for the years 2020, 2021 and 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) in EUR currency, and are available online:

[Audited Guarantor financials 2020](#)

[Audited Guarantor financials 2021](#)

[Audited Guarantor financials 2022](#)

- **Auditors**

The statutory auditors of the audited consolidated financial statements as of and for the financial year ended 31 December 2020 and 31 December 2021 was KPMG Luxembourg, société anonyme, incorporated under the laws of Luxembourg, having its registered office at 39, Avenue John F.Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B149133. KPMG Luxembourg, société anonyme is a member of the Luxembourg institute of auditors (Instituts des réviseurs d'entreprises).

The statutory auditors of the audited consolidated financial statements as of and for the financial years ended 31 December 2022 is BDO Audit, a public limited company (société anonyme) having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies' register under number B147570. BDO Audit, société anonyme is a member of the Luxembourg institute of auditors (Instituts des réviseurs d'entreprises).

- **External credit ratings**

On 28 June 2023, Fitch Ratings – a branch of Fitch Ratings Ireland Limited affirmed the Issuer's Long-Term Issuer Default Rating (IDR) at 'B-', with a Stable Outlook and a Long-Term Issuer Default Rating of 'B'. Fitch has also affirmed the Issuer's senior secured debt rating at 'B-' with a Recovery Rating of 'RR4'.

- **Litigation**

The Guarantor (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) in the 12 months preceding the date of this Base Prospectus, which may have, or have in such period had, a significant effect on the financial position or profitability of the Guarantor.

- **Administrative, management and supervisory bodies**

The following table shows the main administrative, managerial and supervisory positions of the Guarantor.

Name	Position / function (date since)	Education and business experience summary
Modestas Sudnius	Chief Executive Officer (CEO) (2019)	A graduate of Stockholm School of Economics, Modestas Sudnius was the country manager in Lithuania, then held the regional CEO position in the Guarantor, covering Baltic countries, Georgia and Armenia, then being Co-CEO of Eleving Group. Modestas has several years' experience in financial assurance and project management in companies such as Ernst & Young and EPS LT.
Maris Kreics	Chief Financial Officer (CFO) (2015)	Before joining Eleving Group, Mr. Kreics has previously spent 2 years in a corporate finance role working for the biggest telecommunications service company in Latvia – Lattelecom. Before that Mr. Kreics has spent 7 years in PwC, whereas 2 years were spent in New York working exclusively on one of the largest (top 5 by market capitalization) S&P 500 Tech company's lead audit team. Mr. Kreics is a CFA charter holder and a member of the global body for professional accountants ACCA. Mr. Kreics has a bachelor's and master's degree in finance.

○ **Shareholders**

The share capital of the Guarantor is EUR1,000,500 divided into 100,050,000 ordinary shares with a par value of EUR 0.01 in registered form, all of which are fully paid. Each share is entitled to one vote. The following table shows the Guarantor's shareholders, who have ownership exceeding 10%.

Name	Share %	Registration no.	Form of control	Domicile
<i>SIA "ALPPES Capital"</i>	43.66982	52103097551	Direct shareholder	Latvia
<i>AS Novo Holdings</i>	14.55648	40103806598	Direct shareholder	Latvia
<i>AS Obelo Capital</i>	14.55668	40103806155	Direct shareholder	Latvia
<i>SIA EMK Ventures</i>	14.55668	42103100347	Direct shareholder	Latvia

## 12. TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (the **Terms and Conditions**) which, together with the relevant Final Terms, will be applicable to the specified Series of Notes. The relevant Final Terms will complete the Terms and Conditions in relation to each Series of Notes.

Save where the context requires otherwise, references in the Terms and Conditions to **Notes** are to the Notes of one Series only, not to all Notes of other Series that may be issued under these Terms and Conditions.

In these Terms and Conditions, unless the context otherwise requires, words denoting the singular include the plural and *vice versa*.

In these Terms and Conditions, references to a specified Condition will be construed as a reference to that specific Condition of these Terms and Conditions as in force for the time being and as amended or supplemented from time to time.

The headings are inserted for convenience of reference only and will not affect the interpretation of these Terms and Conditions.

In these Terms and Conditions, reference to any other document will be construed as references to that document as in force the time being and as amended, supplemented or substituted.

The use of the word **including** means **including without limitation**.

Words and expressions used in these Terms and Conditions in capitals and not defined will have the meanings given to them in the Final Terms unless the context otherwise requires or unless otherwise stated.

### DEFINITIONS

In these Terms and Conditions, unless the context otherwise requires, the following definitions will apply:

**Aggregate Nominal Amount:** the aggregate nominal amount of the Notes as specified in the Final Terms.

**API:** application programming interface to exchange and transmit information and data in a structured form between the Issuer, the Lending Company and Mintos.

**Available Distribution Amount:** the amounts received by the Issuer from the Series Specific Loans.

**Backup Servicer:** the legal entity (if any) engaged by the Issuer to service and administer the Loans.

**Base Prospectus:** the base prospectus in relation to the Notes.

**Borrower:** the debtor of a Borrower's Loan.

**Borrower's Payments:** any payments made by the Borrowers under the Borrowers' Loans linked to the Series Specific Loans.

**Borrower's Loan:** the principal amount outstanding under the Borrower's Loan Agreement.

**Borrower's Loan Agreement:** Each credit (loan) contract between the Lending Company as the lender and the Borrower as specified in applicable SPV Loan Agreement and Final Terms,

**Business Day:** any day on which banks in the Republic of Latvia are open for business, except for Saturdays, Sundays and national holidays of the Republic of Latvia.

**Buyback Obligation:** the obligation, if any payment under any of the relevant Loans is delayed by more than 60 days, for the Lending Company to (i) repurchase the relevant Loan Receivables from the Issuer or (ii) to repay the respective Loan to the SPV in full together with accrued Interest and any Late Payment Interest.

**Lending Company's Collateral or Collateral:** the pledge rights of the Lending Company over the real estate, movable property, or aggregation of property, third party guarantee or title to a vehicle, or any other legally permissible means of securing the fulfilment of the Borrower's obligations under the Borrower's Loan as specified in the Final Terms (if any).

**Cooperation Agreement:** the cooperation agreement between the Issuer, SPV, the Lending Company and Mintos in relation to the Notes, and in relation to the notes issued under other programmes.

**Cooperation Agreement on Issuance of Loans:** the credit line agreement between the Lending Company as a borrower and SPV as a lender whereby the said parties agree on how SPV's Loan Agreements are concluded, and on the terms and conditions of disbursement and repayment of the Loans issued to the Lending Company thereunder.

**Final Terms:** the final terms of the Notes.

**Grace Period:** the number of days specified in the Final Terms relating to any grace period in the Series Specific Loans for bank-to-bank payments, national holidays and specific debt collection policies of the Lending Company.

**Guarantee Agreement:** the guarantee agreement whereby the Guarantor guarantees to the Issuer and/or Lender the performance of Lending Company's obligations arising from the Transaction Documents.

**Guarantor:** Eleving Group (formerly Mogo Finance S.A.), a public limited liability company (*société anonyme*) incorporated on 21 January 2013 and existing under the laws of the Grand Duchy of Luxembourg, registered with Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B.174457 and having its registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg.

**Interest:** the interest under the Notes or the Series Specific Loans. Interest under the Series Specific Loans means both interest for the reservation of funds and interest for use of the Loan.

**Interest Accrual Periods:** the periods during which Interest accrues on the Notes as specified in the Final Terms.

**Interest Payment Date:** each date on which Interest is payable under the Notes as specified in the Final Terms.

**Interest Rate:** the rate at which Interest accrues on the Notes as specified in the Final Terms.

**Investment Accounts:** the financial instruments account and the cash account of the Investor opened with Mintos.

**Issue Date:** the issue date of the Notes being the date on which the Notes are first made available for subscription as specified in the Final Terms.

**Issuer:** SIA Mintos Finance No.1, incorporated as a limited liability company and registered in the Republic of Latvia with registration number: 402033876181 and registered address at Skanstes street 52, Riga, LV-1013, Latvia.

**Issuer's Account:** the cash funds account of the Issuer opened by Mintos which is used solely for settling payments with the Lending Company, the Backup Servicer (if any), the Guarantor and the Noteholders.

**Late Payment Interest:** the Interest on any principal amount due but not paid under any Series Specific Loan which is calculated at the rate (the **Late Payment Interest Rate**) specified in the Final Terms on the principal amount due (if any).

**Lending Company:** “MOGO” Universal Credit Organization Limited Liability Company, a limited liability company established on 23.06.2017 and existing under the laws of Republic of Armenia with state registration number 42, and registered address Republic of Armenia, Yerevan, Vardanants street, building 18/2, area 4,5,6.

**Loan Final Repayment Date:** the scheduled final repayment date of the Series Specific Loans as specified in the Final Terms.

**Loan Interest Payment Date:** each date on which Interest is payable under the Series Specific Loans as specified in the Final Terms.

**Loan Interest Rate:** the rate at which Interest accrues on principal amount outstanding of the Series Specific Loans as specified in the Final Terms.

**Loan Receivables:** the receivables of the SPV under the Series Specific Loans which have been assigned to the Issuer, being 100% of the principal amount outstanding of the relevant Series Specific Loan.

**Loan Repayment Date:** each date on which the Series Specific Loans are redeemed as specified in the Final Terms.

**Maturity Date:** the scheduled maturity date of the Notes as specified in the Final Terms.

**Mintos:** AS Mintos Marketplace, a joint stock company registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia under unified registration number 40103903643 on 1 June 2015, having registered address: 50 Skanstes Street, Riga, LV-1013, Latvia.

**Noteholder:** each person who appears as a holder of any Note from time to time in the electronic register maintained by Mintos.

**Notes:** notes issued or to be issued by the Issuer.

**Payment Event:** the date on which (a) information on the Borrower's Payments received by the Lending Company is communicated to the Issuer and Mintos through API in accordance with the Transaction Documents, (b) the right or obligation arises under the Buyback Obligation or Repurchase, (c) any full or partial repayment of any of the Series Specific Loans occurs, (d) any breach of the repayment schedule of any of the Series Specific Loans occurs, (e) any extension of the repayment schedule of any of the Series Specific Loans pursuant to Condition 11.4 occurs and (f) any change to any of the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date of one or more Series Specific Loan occurs.

**Pledge Agreement:** the pledge agreement concluded by and between the Lending Company as the pledgor and the SPV as the pledgee to secure the obligations of the Lending Company arising out of the Cooperation Agreement on Issuance of the Loans.

**Principal Amount Outstanding:** the Aggregate Nominal Amount multiplied by the Sink Factor.

**Priority of Payments:** the priority of payments set out in Condition 10.

**Purchase Agreement:** part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the SPV of the Series Specific Loan.

**Redemption Date:** each date on which the Notes are redeemed as specified in the Final Terms.

**Repurchase:** the right or obligation for the Lending Company to repurchase the relevant Loan



Receivables from the Issuer on the occurrence of certain events specified in the Cooperation Agreement (as outlined in the section entitled '4. TRANSACTION OVERVIEW – THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – Exercising of Repurchase' of the Base Prospectus).

**Series:** Notes with the same Issue Date and the same Terms and Conditions (including as to the Series Specific Loans) and identified in the relevant Final Terms as forming a series.

**Series Specific Loan:** each loan agreement between the SPV as lender and the Lending Company as a borrower as specified in the applicable Final Terms.

**Sink Factor:** a fractional number between 0 to 1 (inclusive) up to 16 decimal figures as determined by the Issuer from time to time which reflects the then Principal Amount Outstanding taking into account any partial redemptions of the Notes.

**Specified Currency:** the currency of the Notes as specified in the Final Terms.

**Specified Denominations:** the specified denominations of the Notes as specified in the Final Terms.

**SPV Loan Agreement:** each loan agreement between the Lending Company as a borrower and the SPV as a lender as specified in the applicable Final Terms.

**SPV:** Mintos Finance Estonia OÜ, a private limited liability company existing under the laws of the Republic of Estonia, registration number 12807141, having its registered address at Harju maakond, Tallinn, Haabersti linnaosa, Meistri tn, 13517, Estonia.

**Transaction Documents:** the Cooperation Agreement, the Cooperation Agreement on Issuance of Loans, SPV Loan Agreement, the Transfer Document, the Guarantee Agreement, the Pledge Agreement.

**Transfer Document:** the document generated by Mintos evidencing the transfer of Loan Receivables from the SPV to the Issuer in accordance with the Purchase Agreement.

## 1. UNDERTAKINGS OF THE ISSUER

The undertakings in this Condition 1 remain in force for so long as any of the Notes are outstanding.

### 1.1 *Authorisations and compliance with laws*

The Issuer will promptly obtain, comply with and do all that is necessary to maintain in full force and effect any authorisation required under any law or regulation of Latvia to enable it to perform its obligations under the Notes or own title in the Loan Receivables, and carry on its business as it is being conducted. The Issuer will comply in all respects with all laws to which it is subject.

### 1.2 *Negative covenants*

Other than in connection with the Notes or as provided in the Base Prospectus, the Issuer will not:

- (a) sell, transfer, create any security over or otherwise dispose of any of the Loan Receivables;
- (b) incur or permit to be outstanding any financial indebtedness;
- (c) be the creditor in respect of any loan or any form of a credit to any person, other than the Lending Company or as permitted under the Transaction Documents;

- (d) give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person;
- (e) carry on any business other than as a special-purpose pass-through undertaking established for the purpose of issuing and offering Notes, which are backed by the Loan Receivables, to Investors on the Platform; or
- (f) use the Issuer's Account for any purpose other than as provided in these Terms and Conditions and the Transaction Documents.

These provisions are without prejudice to the Issuer's right to have transactions with other lending companies of the Eleving Group, with the aim of approving base prospectuses and issuing loans' backed and contingent notes.

## **2. GENERAL**

- 2.1 The Issuer under these Terms and Conditions together with the corresponding Final Terms has authorised the creation, issue and sale of the Notes to provide funds to the Issuer to purchase Loan Receivables in accordance with the Purchase Agreement. The issue of Notes on the Issue Date specified in the Final Terms will correspond to the Issuer obtaining title to the Loan Receivables with a total amount equal to the Aggregate Nominal Amount.
- 2.2 Subject to Condition 25, the Issuer will obtain the title to the Loan Receivables on the condition that Mintos has determined that it has all the data it requires in relation to the Loan Receivables in accordance with the Purchase Agreement and the Transfer Document. The condition in no case implies either the Issuer or Mintos has any obligation to examine, verify or assess such data, including, through the use of any documentary evidence.
- 2.3 In each case where amounts of principal, Interest, other return and additional amounts (if any) are payable in respect of the Notes, the obligations of the Issuer to make any such payment will constitute an obligation only to account to the Noteholders on each date on which such amounts are due, for an amount equal to amounts of principal, Interest, other return and additional amounts (if any) actually received by the Issuer in relation to the Series Specific Loans.
- 2.4 Neither the Issuer nor Mintos are liable to make any payments in respect of the Notes other than as expressly provided in these Terms and Conditions.
- 2.5 Save for any fees payable to the Lending Company, Mintos and the Backup Servicer (if any), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer of the Notes.

## **3. STATUS**

- 3.1 The Notes constitute direct, general, unsubordinated and limited recourse debt obligations of the Issuer, which rank *pari passu* among themselves; and at all times these obligations rank at least *pari passu* with all other present and future direct, general, unsubordinated and limited recourse obligations of the Issuer arising from the present and further Series, except for those obligations as may be preferred by applicable law.
- 3.2 No proprietary or other direct interest in the Issuer's rights under or in respect of any of the Transaction Documents, the Purchase Agreement, the Transfer Document, the Guarantee Agreement, the Pledge Agreement and the Loan Receivables, exists for the benefit of the Noteholders. Subject to these Terms and Conditions, no Noteholder will and will have any right

to enforce any of the Transaction Documents and the Loan Receivables, or any direct recourse to any of the Lending Company, the Borrowers, the Guarantor and the pledgor under the Pledge Agreement.

#### **4. FORM**

The Notes are issued by the Issuer in registered form which are deposited and held as book-entry with Mintos.

#### **5. ISSUE OF NOTES**

The Notes are issued on the Issue Date in the Aggregate Nominal Amount, the Specified Denominations and the Specified Currency as specified in the Final Terms.

#### **6. REGISTER, TITLE AND TRANSFERS**

6.1 Mintos maintains an electronic register of Noteholders in accordance with the Cooperation Agreement. No certificates will be issued to any Noteholder in respect of its holding.

6.2 Each Noteholder will (except as otherwise required by law) be treated as the absolute owner of any relevant Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, nomineehip or any other interest in the Note), and no person will be liable for so treating the Noteholder.

6.3 The Notes are held and freely transferred only between the financial instrument accounts at Mintos of Noteholders. No application has been or will be made to trade the Notes on any regulated market or any other trading venue, other than the Platform.

6.4 A transfer of any Note between the Noteholders may be affected by Mintos which may require as conditions to the transfer of (a) provision of documents and information, (b) payment of any transfer fee and (c) payment of any tax or other governmental charges, in each case, by the relevant Noteholder in accordance with terms and conditions of the Platform.

#### **7. PRIORITY OF PAYMENTS**

All funds received by the Issuer in relation to the Series Specific Loans, irrespective whether indicated as corresponding to the relevant Series Specific Loan or not, to the extent legally permitted, will be applied by the Issuer in the following order of priority:

- (a) *first*, in or towards payment of any amounts owed by the Issuer to any tax authority and required to be paid by the Issuer under or pursuant to the Notes;
- (b) *second*, in payment or satisfaction of all fees and penalty fees then due and unpaid to Mintos by the Lending Company under the Cooperation Agreement;
- (c) *third*, in or towards payment or satisfaction of all amounts then due and unpaid as commissions, fees, costs, charges, expenses and liabilities incurred or payable for servicing of the Loan Receivables if (i) the Issuer or any person designated by the Issuer has taken over the servicing of the Loan Receivables or (ii) any event of default of the Lending Company has occurred under any of the Transaction Documents and the Issuer acts for the purposes of recovery of funds includes filing a claim in the liquidation, insolvency or other administrative proceedings of the Lending Company, or enforcing any legal rights;

- (d) *fourth*, in or towards payment or satisfaction of any costs, including legal fees, for any action to recover funds, collect or restructure payment obligations, or taking any other actions to receive the Loan Receivables;
- (e) *fifth*, in or towards payment or discharge of all amounts which are due to the Backup Servicer, if any;
- (f) *sixth*, to the Noteholders in or towards the payment or discharge of all amounts of Interest and principal (Late Payment Interest or penalty fee or other assigned claim, if any, in the order that is set forth with respect to the particular Loan Receivable) then due and payable under or in respect of Series, Repurchase prices and/or Buyback Obligation prices, unless the Buyback Obligation price is discharged next according to 7 (g) below. Such payment/discharge being done by placing Series Specific Loans of all Series outstanding in the chronological order from the Series Specific Loan having oldest Payment Event to the Series Specific Loan having newest Payment Event, and then applying pro rata approach on each particular Series level; and
- (g) *seventh*, to the Noteholders in or towards the payment of the Buyback Obligation price, if the Lending Company is late in making payments due to the Issuer for 14 (fourteen) days or another period that the Issuer finds material. Such payment/discharge being done by placing Series Specific Loans of all Series outstanding in the chronological order from the Series Specific Loan having oldest buyback related Payment Event to the Series Specific Loan having newest buyback related Payment Event, and then applying pro rata approach on each particular Series level; and
- (h) *eight*, to the Noteholders in or towards the payment of Notes' pro-rata portion of the Pending Payments Penalty Fee (if any). Such pro-rata portion shall be applied towards all impacted Series.

Neither the Issuer nor Mintos will be liable for applying the Priority of Payments, including for any minor errors, pursuant to Condition 25.

## 8. INTEREST

### 8.1 *Payment of Interest*

Each Note bears Interest from (and including) the date on which the Note is subscribed by the Noteholder. Interest will be calculated in accordance with Conditions 8.2 and 8.3, and payable in the Specified Currency in arrears on each Interest Payment Date.

### 8.2 *Accrual of Interest*

The Interest payable on any Interest Payment Date in respect of each Note is as follows:

Loan Interest Rate X Series Specific Loan Principal Amount Outstanding X Day Count

Where:

**Series Specific Loan Principal Amount Outstanding**, is the principal amount of the Series Specific Loans which is scheduled to be outstanding (even if the principal amount is redeemed later) on the day immediately before the Loan Interest Payment Date which is immediately before the Interest Payment Date.

**Day Count**, unless otherwise specified in the Final Terms, the actual number of days in the

immediately preceding Interest Accrual Period, divided by 360.

### 8.3 *Accrual of Late Payment Interest*

The Late Payment Interest (if specified as being applicable in the Final Terms) payable on any day on which the Issuer receives the Principal Amount Due in respect of each Note is as follows:

Late Payment Interest Rate X Principal Amount Due X Day Count

Where:

**Principal Amount Due**, is the principal amount of a Series Specific Loan which was due on the Loan Repayment Date but not paid under the relevant Series Specific Loan provided that there will be no Principal Amount Due if paid within the Grace Period; and

**Day Count**, unless otherwise specified in the applicable Final Terms, the actual number of days from (but excluding) the day on which the Principal Amount Due becomes due to (but excluding) the day on which the Issuer receives the Principal Amount Due or, if the Buyback Obligation or Repurchase applies, the relevant Payment Event, divided by 360.

**Any payment of Interest or Late Payment Interest will be made only in accordance with Conditions 7, 11 and 25, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Loans.**

## 9. **PRINCIPAL REDEMPTION**

### 9.1 *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified in these Terms and Conditions, each Note will be redeemed at the then Principal Amount Outstanding on the Maturity Date.

### 9.2 *Early Redemption*

A proportion of the Principal Amount Outstanding of the Notes will be redeemed *pro rata* on each Redemption Date and at any other time any principal payment from any of the Series Specific Loans is received by the Issuer, without any prior notice to Noteholders. The Principal Amount Outstanding of the Notes redeemed will be in the same proportion as the proportion that the principal payment received by the Issuer has to the total principal amount outstanding of all the Series Specific Loans immediately before the principal payment. Any accrued but unpaid Interest associated to that proportion of the Principal Amount Outstanding of the Notes being redeemed will be paid at the same time. For the avoidance of doubt if the Principal Amount Outstanding of the Notes is redeemed, the nominal amount of each Note (as specified in Final Terms) is constant and remains unchanged.

**Any repayment of the Principal Amount Outstanding will be made only in accordance with Conditions 7, 11 and 25, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Loans.**

## 10. **INTEREST AND PRINCIPAL DETERMINATION**

### 10.1 Mintos determines (a) the amount of Interest and the Late Payment Interest (if any) payable in

accordance with Condition 8 for each Interest Payment Date and (b) the amount of principal payable in accordance with Condition 9 on each Redemption Date and the Maturity Date, on its review of the following information:

- (i) the Payment Events which have arisen;
- (ii) aggregate payment amounts paid by the Borrowers which have been received from the Lending Company;
- (iii) the Buyback Obligation and Repurchase which have arisen; and
- (iv) the amounts then due and owed by the Issuer according to the Priority of Payments on the Interest Payment Date, the Redemption Date or the Maturity Date.

10.2 On each Interest Payment Date, each Redemption Date and the Maturity Date, Mintos on the Issuer's behalf will direct the payment of Interest and principal amounts to the Noteholders in accordance with Condition 11.

10.3 If after application of the Priority of Payments the Issuer has insufficient funds on any Interest Payment Date, any Redemption Date or the Maturity Date to make a payment of Interest or principal in full as required by Conditions 8 and 9, on behalf of the Issuer, Mintos at its sole discretion may decide that the Issuer pays part of the amount due or defers the payment until the full amount due is available, and such partial payment or deferral will not constitute an Event of Default under these Terms and Conditions.

10.4 All determinations, calculations and adjustments made by Mintos will be made in conjunction with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Noteholders.

## **11. PAYMENTS**

### **11.1 *Payments of Interest and principal***

Subject to Conditions 7 and 12, the Issuer will, from any Available Distribution Amount:

- (a) pay the Interest on the Notes in accordance with Condition 8 on each Interest Payment Date; and
- (b) redeem the Notes in accordance with Condition 9 on each Redemption Date and the Maturity Date.

### **11.2 *Notes contingent payments***

All payments of Interest and principal by the Issuer under the Notes are dependent on the Issuer having received information on the Payment Event and the Available Distribution Amount being sufficient to make the relevant payments in accordance with the Priority of Payments. The Notes will not give rise to the Issuer having any payment obligation in excess of the foregoing.

Any overdue payment of Interest or principal under any of the Series Specific Loans that have been collected by the Lending Company (including by its external debt collection agency) will be paid to the Issuer as an Available Distribution Amount which will be paid in accordance with the Priority of Payments on the date determined by the Issuer at its sole discretion.

### 11.3 *Pending Payments Penalty Fee*

Not applicable.

### 11.4 *Loan extension*

The Lending Company may modify any of the Borrowers' Loans linked to the Series Specific Loans without approval of the Issuer, the SPV and the Noteholders, provided that payments from the relevant Borrower remain unchanged.

If 'Extension possibility' is provided in the Final Terms, the Lending Company may extend the repayment schedule of one or more Borrowers' Loans linked to the Series Specific Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer, the SPV or the Noteholders provided that (a) there is no event of default under any of the Borrowers' Loans linked to the Series Specific Loans, (b) any change is restricted by 'Limit on the number of Extensions' and 'Total maximum time limit of Extensions' as specified in the Final Terms and (c) any change is notified on the Platform to the Noteholders. The extension of Borrower's Loan leads to extension of the Loan that it is linked to.

The Lending Company may also extend the repayment schedule of one or more Borrowers' Loans linked to the Series Specific Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer, the SPV or the Noteholders to comply with any new law or regulation, amendment of any existing law or regulation, or any decision of any government or municipal provided that any change is notified on the Platform to the Noteholders

### 11.5 *Loan Receivables subject to Buyback Obligation or Repurchase*

Any Loan Receivable subject to the Buyback Obligation or Repurchase (i) will be repurchased by the Lending Company at a price equal to the outstanding principal amount of the Loan Receivable together with any accrued but unpaid Interest and any Late Payment Interest up to (but excluding) the repurchase date, or (ii) the respective Loan will be repaid to the SPV in full together with any accrued but unpaid Interest and any Late Payment Interest up to (but excluding) the full repayment date.

### 11.6 *Insufficient funds on the Maturity Date*

If any amounts on the Notes are outstanding on the Maturity Date, the Maturity Date will be automatically postponed to the date that is the earlier of (a) the date on which all amounts due and payable under the Notes are paid and (b) the date referred to in Condition 11.7, and Interest will not accrue on the Notes (other than Pending Payments Penalty Fee, if applicable) and any Available Distribution Amount will be paid to the Noteholders on a date as reasonably determined by the Issuer in accordance with the Priority of Payments.

### 11.7 *After the Maturity Date*

If on any date following the Maturity Date

the Issuer, the SPV and Mintos determines in good faith that there is no realistic prospect of collecting any further funds from the Lending Company if the Issuer and/or the SPV have not received the full amount due from the Buyback Obligation or Repurchase or, if earlier, on the 10th anniversary of the Maturity Date,

as of that date (i) all the Notes outstanding will be cancelled in full, (ii) the Issuer will be deemed to have fulfilled all its payment and other obligations to each of the Noteholders and (iii) no Noteholder will have any right in respect of any of the Notes.

#### 11.8 *Payments to the Noteholders*

Any payments of Interest and redemption amounts in respect of the Notes will be made to the relevant Investment Account.

#### 11.9 *Taxes*

All payments and/or deliveries in respect of the Notes made by or on behalf of the Issuer will be made subject to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature which may be required to be withheld or deducted.

The Issuer or Mintos will:

- (a) not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the Noteholders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted;
- (b) not be liable for or otherwise obliged to pay, and the relevant Noteholder will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer (or agreement to transfer), any payment and/or any delivery (or any agreement for delivery) in respect of the Notes held by such Noteholder; and
- (c) have the right but will not be obliged (unless required by law), to withhold or deduct from any amount payable or, as the case may be, any delivery due to the relevant Noteholder, such amount or portion as will be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

The Noteholders will agree to provide the Issuer and/or Mintos with all information and documentation required by the Issuer and/or Mintos, as the case may be, to satisfy any Latvian or other country tax or regulatory obligations at any time.

#### 11.10 *Payments on Business Days*

If the due date for payment of any amount in respect of any Notes is not a Business Day, the Noteholder will not be entitled to payment of the amount due until the next succeeding Business Day in such place and will not be entitled to any further interest or other payment in respect of any such delay.

### **12. LIMITED RECOURSE AND NON-PETITION**

12.1 Notwithstanding anything in the Base Prospectus, the obligations of the Issuer in respect of the Notes are limited recourse obligations which are payable solely from the sums of principal, Interest, other return and additional amounts (if any) actually received (and identified as such) in relation to the Series Specific Loans.

12.2 All payments to be made by the Issuer in respect of the Notes will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer under the Series Specific Loans, subject always to the Priority of Payments.



- 12.3 In relation to any sums received or recovered, the Issuer (or Mintos on its behalf) will follow these Terms and Conditions in determining to which Series of Notes such sums relate and such determination will be binding on Noteholders of all Series in the absence of manifest error.
- 12.4 To the extent that the sums referred to in Condition 12.1 are less than the amount which the Noteholders may have expected and been entitled to receive (such difference being referred to as the **shortfall**), the shortfall will be borne by the Noteholders.
- 12.5 Each Noteholder, on subscribing or buying any Note directly, through a portfolio management service of the Platform or any other way, irrevocably accept and acknowledge that it is fully aware that:
- (a) only the sums referred to in this Condition 12, and Conditions 7 and 11 will be available for any payments to be made by the Issuer in respect of the Notes;
  - (b) the sums which are attributable to another Series of Notes are only available in satisfaction of the obligations of the Issuer to such Noteholder(c) the obligations of the Issuer to make payments in respect of the Notes will be limited to the sums and the Noteholders will have no recourse to the Issuer, Mintos or their respective shareholders, directors, officers, employees, affiliates, successors or assigns in respect of the Notes for the shortfall;
  - (d) no Noteholder is entitled to proceed against the Issuer, the SPV or Mintos for the shortfall;
  - (e) following the realisation and distribution of the net proceeds from the Loan Receivable corresponding to the Series Specific Loan in accordance with the Priority of Payments, the Noteholders or anyone acting on behalf of any of them will not be entitled to take any further steps against the Issuer or Mintos to recover any further sum and the right to receive any such further sum will be deemed as fulfilled; and
  - (f) no Noteholder will be entitled to petition or take any other step or join with any other person in bringing, instituting or joining, insolvency, winding-up, liquidation or bankruptcy proceedings (whether court-based or otherwise), or for the appointment of an examiner, liquidator or analogous person in relation to the Issuer, nor will it have any claim to, or in respect of any sum arising in respect of any assets of the Issuer.
- 12.6 Non-payment of the shortfall referred to in this Condition 12 will not constitute an Event of Default.
- 12.7 None of the shareholders of the Issuer, Mintos, the Lending Company, the Backup Servicer has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.
- 12.8 The provisions of this Condition 12 will survive redemption of the Notes.

### **13. PURCHASE**

- 13.1 The Issuer may at any time purchase Notes at any price in the open market or otherwise.
- 13.2 Any Note purchased by the Issuer on the sole discretion of the Issuer may be either cancelled or sold to any investor on behalf of the Issuer by Mintos.

### **14. CANCELLATION**

All Notes which are redeemed or cancelled may not be re-issued or resold.

## 15. PRESCRIPTION

Any and all claims against the Issuer for payment in respect of the Notes will be prescribed and become void unless made within 10 years from the date on which payment in respect of the Notes first becomes due.

## 16. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further Series and further tranches of existing Series of Notes. A further tranche of an existing Series will:

- (a) be fungible with the Notes of that existing Series;
- (b) have the same terms and conditions as the Notes of that Series except for the Aggregate Nominal Amount, the Issue Date, the Issue Price, the Interest Accrual Periods, the first Interest Payment Date and the first Redemption Date; and
- (c) be consolidated and form a single Series with that existing Series of Notes, and references in these Terms and Conditions to Notes will be construed accordingly.

The right of the Issuer from time to time without the consent of the Noteholders to create and issue further Series, includes also the Issuer's right to issue loans' backed and contingent notes according to the base prospectuses and transaction documents for other lending companies of the Elevation Group.

## 17. EVENTS OF DEFAULT

17.1 Any of the following events will constitute an event of default under the Notes (each, an **Event of Default**):

- (a) if any order is made by any competent court or any resolution passed for the winding-up or dissolution (including any bankruptcy, insolvency, voluntary, forced or judicial liquidation, composition with creditors, a reprieve from payment, controlled management, fraudulent conveyance, general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Issuer (save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements); or
- (b) formal notice is given of an appointment an administrator (including any receiver, liquidator, auditor, verifier), provisional administrator; or
- (c) any application is made, or petition is lodged, or documents are filed with the court or administrator in relation to the Issuer for the actions, proceeding or procedures specified in paragraphs (a) or (b) above, unless such proceedings or petitions are disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement.

17.2 The Issuer is obliged to inform Mintos immediately if any Event of Default should occur. Should Mintos not receive such information, Mintos is entitled to assume that no Event of Default exists or can be expected to occur, provided that Mintos does not have knowledge of any Event of Default. Mintos is under no obligation to make any investigations relating to any Event of

Default. The Issuer will, at the request of Mintos, provide Mintos with details of any Event of Default and provide Mintos with all documents that may be of significance for the application of this Condition 17.

- 17.3 If Mintos has been notified by the Issuer or has otherwise determined that there is an Event of Default, Mintos will, within 20 Business Days of the day of notification or determination, notify the Noteholders according to Condition 20.
- 17.4 Upon the occurrence of an Event of Default, Notes are repaid according to the terms and conditions stipulated by this Base Prospectus and relevant Series Final Terms, unless otherwise required by a rule of the law.
- 17.5 Mintos, subject to the Noteholders indemnifying and holding Mintos harmless from any reasonable expenses, loss or liability, will take every reasonable measure necessary to recover the amounts outstanding under the Notes according to their terms and conditions and Transaction Documents. Mintos will in each case inform the Noteholders about the costs which should be compensated prior to requesting any indemnification. In any case Mintos will charge this compensation of costs only up to the recovered amount. Mintos will not ask for compensation of costs for its in-house staff and resources.
- 17.6 For the avoidance of doubt, if any payment is not made by the Issuer because the Issuer has not received the relevant amounts under the Series Specific Loans so that the Available Distribution Amount after application of the Priority of Payments is not enough to make payments due under the Notes in full, the occurrence of such event will, as such, not constitute an Event of Default.

## 18. MEETING OF NOTEHOLDERS

### 18.1 *General provisions*

The Issuer from time to time may convene a meeting of the Noteholders (the **Noteholders Meeting**) to adopt resolutions on certain matters. The Issuer at its own discretion decides which matters will be reserved for passing at the Noteholders Meeting.

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the Noteholders Meeting or in respect of the relevant resolution and Noteholders who voted in a manner contrary to the majority. As a result, Noteholders may be bound by a change to these Terms and Conditions or by some other decision that affects Noteholders' investment in the Notes even though they have not agreed to such change.

The Noteholders Meeting may adopt its resolutions in one of the two forms as chosen by the Issuer:

- (a) at a meeting held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote using ballots provided; or
- (b) by absentee voting (without attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote).

The Noteholders Meeting will be chaired, and minutes taken by a representative of Mintos.

### 18.2 *Resolutions of the Noteholders Meeting*

Matters put to the vote at a Noteholders Meeting and its agenda will be decided by the Issuer.

The Noteholders may neither pass resolutions on the matters not included in its agenda nor amend the agenda.

Resolutions passed by the Noteholders Meeting and voting results will be provided to the persons eligible to participate in the Noteholders Meeting in a report, which will be disclosed to the Noteholders as per the procedure prescribed with regard to sending notices of the Noteholders Meeting, within 5 Business Days after the closing date of the meeting or the final date for submitting the voting ballots in case of absentee voting. However, the failure to do so will not invalidate the resolution.

The resolution will be binding on all the Noteholders, whether or not present at the Noteholders Meeting and each of them will be bound to give effect to it accordingly.

### 18.3 *Information on holding a Noteholders Meeting*

The Issuer will notify the Noteholders about the Noteholders Meeting in accordance with the procedure below.

A notice of the Noteholders Meeting (the **Notice**) will be given according to Condition 20 no later than 10 days in advance.

The Notice will be given to the Noteholders registered on the date of the Notice in the electronic register of Noteholders maintained by Mintos.

The Issuer may decide not to publish the Notice on the Platform. In such a case within the time specified in this Condition 18.3 the Issuer will send the Notice to the Noteholders by email.

The Issuer may at its own discretion make available information to the Noteholders entitled to participate in the Noteholders Meeting as part of preparations for the Noteholders Meeting.

### 18.4 *Quorum at a Noteholders Meeting*

A Noteholders Meeting will be deemed quorate if attended by Noteholders aggregately holding more than 50% of:

- (a) the aggregate Principal Amount Outstanding of all Series of Notes towards the Lending Company on the date of the Notice if the decision is related towards all Series of Notes outstanding; or
- (b) the aggregate Principal Amount Outstanding of the relevant Series of Notes on the date of the Notice if the decision is related towards the relevant Series of Notes outstanding.

The number of votes for each Noteholder equals the Principal Amount Outstanding in the respective Series on the date of the Notice.

When a Noteholders Meeting is held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote, the Noteholders registered to participate in the Noteholders Meeting and the Noteholders whose ballots have been received no later than 2 days before the meeting will be deemed to have participated in the meeting.

When a Noteholders Meeting is held in the form of absentee voting, the Noteholders whose ballots have been received before the final date for submitting the ballots will be deemed to have participated in the meeting.

Where there is no quorum for a Noteholders Meeting, a second Noteholders Meeting will be held with the same agenda. Such second Noteholders Meeting will be deemed quorate if attended by Noteholders aggregately holding more than 30% of:

- (a) the aggregate Principal Amount Outstanding of all Series of Notes towards the Lending Company on the date of the Notice if the decision is related towards all Series of Notes outstanding; or
- (b) the aggregate Principal Amount Outstanding of the relevant Series of Notes on the date of the Notice if the decision is related towards the relevant Series of Notes outstanding.

Subject to the quorum being present, the decisions on the Noteholders Meeting agenda will be adopted per each item of the agenda by the majority from the total amount of votes provided.

#### 18.5 *Voting ballots*

Ballots for voting at a Noteholders Meeting will be sent together with the Notice according to Condition 18.3.

Ballots for voting will be in the English language.

Voting could be convened as an e-voting through filling-out an electronic voting ballot through the interface of the Platform.

Noteholders included in the list of those entitled to participate in the Noteholders Meeting other than the Noteholders Meeting held in the form of absentee voting, or their representatives, may register to participate or forward their completed ballots to the Issuer. Voting ballots will be counted towards the calculation of the quorum and voting results if received by the company no later than 2 days before the Noteholders Meeting.

The voting ballot will contain the information about the Noteholders Meeting including but not limited to:

- information about the Issuer, including address and contact person;
- details identifying the Series of Notes;
- form of the Noteholders Meeting (attendance or by absentee voting);
- date, place and time of the Noteholders Meeting if it is held in the form of attendance of the Noteholders;
- Principal Amount Outstanding; and
- voting options for each item on the agenda, expressed as “for”, “against”, or “abstained”, and the indication that the voting ballot must be signed by a person entitled to participate in the Noteholders Meeting or its representative unless convened by e-voting.

When voting by ballots, only those voting ballots are counted where for each item only one voting option is selected. The voting ballots completed in breach of the aforementioned requirement will be deemed invalid. However, if there are several items put to the vote on the voting ballot, breach of the aforementioned requirement with respect to one or several items will not affect the validity of the remaining ballot. If a voting ballot is rendered invalid with respect

to voting on one, several or all items included in such ballot, the votes so cast in such ballot will not be excluded from the calculation of the quorum. If a voting ballot is rendered invalid, the votes on the items contained in the voting ballot will not be counted.

#### 18.6 *Counting*

The counting functions will be performed by Mintos, which will check the powers of, and register the participants in a Noteholders Meeting, determine the quorum at a Noteholders Meeting, count the votes and determine the voting results, draw up the voting minutes and hand over the voting ballots to the archive.

### **19. SUBSTITUTION**

19.1 The Issuer or any previous substitute company may be substituted by any other company as principal obligor under all of the Notes then outstanding provided that such substitution would not be materially prejudicial to the interests of the Noteholders and subject to the other Terms and Conditions being complied with, including with provisions of the Transaction Documents, and further provided that the Financial and Capital Market Commission has given its prior consent to such substitution if any needed according to the applicable law.

19.2 By subscribing to, or otherwise acquiring, the Notes, the Noteholders expressly consent to the substitution of the Issuer and to the release of the Issuer from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences of such substitution.

19.3 Any such substitution will be notified to Noteholders in accordance with Condition 20.

### **20. NOTICES AND PROVISION OF INFORMATION**

20.1 Notices to the Noteholders will be given upon sole discretion of the Issuer in the English language and/or any other language the Issuer deems fit for such purposes and will be given by using one or several communication channels:

- (a) emailed to respective email addresses in the register of Noteholders and deemed to have been given within 24 hours after the dispatch; and
- (b) delivered to Mintos for further communication to the Noteholder according to the services provision agreement between Mintos and the Noteholder (including times when deemed to have been duly given).

20.2 Any notices, demands, claims or other communication to the Issuer by any Noteholder will be in the English language and will be given by using one of the following communication channels:

- (a) delivered by hand or courier and deemed to have been given on the same day of delivery; and
- (b) delivered by registered mail and deemed to have been given on the 10th calendar day following the date indicated on the stamp by the postal service provider on the acceptance of a registered letter.

20.3. For the purposes of Condition 20.2 notices or other communications addressed to the Issuer will be given to Mintos, serving as an agent for this purpose:

AS Mintos Marketplace

## **21. AGENTS**

- 21.1 Mintos acts solely as an agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Noteholder.
- 21.2 The Issuer subject to the provisions of the Transaction Documents reserves the right at any time to vary or terminate the appointment of Mintos, the Lending Company and any other party to any of the Transaction Documents.

## **22. FORCE MAJEURE**

Neither the Issuer nor Mintos will be responsible for any failure to perform any of its respective obligations under these Terms and Conditions which is due to any reason that is independent of that person's will and has resulted from a *force majeure* event. A *force majeure* event will apply only and solely if that person has taken all steps that depend on it in order to perform the obligation. Once the *force majeure* event has finished, that person must immediately resume the performance of the obligation. The following circumstances will be considered as *force majeure* events:

- (a) extraordinary and unavoidable circumstances including natural disasters, fire, flood, earthquake, warfare, terror acts, riots and strikes;
- (b) technical failures, delays or malfunctions; failure of computers, communications systems, hardware and/or software; power supply malfunctions; or other critical infrastructure malfunctions, which neither the Issuer nor Mintos could have prevented or predicted;
- (c) decisions and/or activities of local and/or foreign public authorities, and/or international organisations;
- (d) entry into force, amendments and/or suspension of a statutory act binding on either the issuer or Mintos affecting the performance of obligations under these Terms and Conditions; and
- (e) any circumstance defined as a *force majeure* circumstance in any of the Transaction Documents.

## **23. GOVERNING LAW AND JURISDICTION**

- 23.1 The Notes (and any non-contractual obligations arising out of or in connection with the Notes) are governed by and will be construed in accordance with the law of the Republic of Latvia.
- 23.2 The courts of the Republic of Latvia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes) and accordingly any legal action or proceedings arising out of or in conjunction with the Notes may be brought in such courts. The Issuer and each of the Noteholders irrevocably submits to the jurisdiction of such courts.

## **24. AMENDMENTS AND MODIFICATIONS**

To comply with any applicable law, the Issuer may validly amend or supplement these Terms and Conditions by publishing the changed Terms and Conditions on the Platform without the consent of the Noteholders.

## **25. LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE NOTEHOLDER**

25.1 Notwithstanding anything in the Base Prospectus, other than with respect to gross negligence or wilful misconduct by the Issuer and/or Mintos, neither the Issuer nor Mintos will be held liable by any Noteholder for:

- (a) any material error, misrepresentation, omission or fraud by the Lending Company;
- (b) failure of the Lending Company for whatever reason to inform the Issuer and/or Mintos of the Payment Event having occurred or for the information being inaccurate or wrong;
- (c) the Loan Receivables; or
- (d) determinations and decisions when distributing amounts under the Notes, including, when applying the Priority of Payments, deciding whether to defer payment or make a partial payment, relying upon or deciding if and when there is no realistic prospect of collecting further funds under a Series Specific Loan, including in the event of default of the Lending Company.

25.2 In any and all cases liability of the Issuer and/or Mintos to any Noteholder under these Terms and Conditions will be limited to the amount invested in the impacted Notes by the Noteholder.

25.3 Each Noteholder, on subscribing or buying any Note directly, through a portfolio management service of the Platform or any other way, irrevocably accept and acknowledge that it is fully aware that:

- (a) the Issuer and Mintos do not make any representation or warranty in respect of, or will not at any time have any responsibility for, or, save as otherwise expressly provided in these Terms and Conditions, liability or obligation in respect of the performance and observance by any Borrower of its obligations under the relevant Series Specific Loan, the Lending Company of its obligations under the Cooperation Agreement, and/or by the pledgor of its obligations under the pledge agreement, or the recoverability of any sum of the principal, Interest, other return or any additional amounts (if any) due or to become due from any Borrower, the Lending Company, and/or the pledgor;
- (b) the Issuer and Mintos will not at any time have any responsibility for, or obligation or liability in respect of, the condition, financial or otherwise, covenant, creditworthiness, affairs, status or nature of any Borrower, the Lending Company, , the pledgor or any other person;
- (c) the Issuer and Mintos will not at any time be liable for any representation or warranty, or any act, default or omission of any Borrower, the Lending Company, the pledgor or other person;
- (d) the Issuer will not at any time have any responsibility for, or liability or obligation in respect of, the performance and observance by Mintos of its obligations under the Transaction Documents or any other agreement entered or to be entered into by and between the Noteholders and Mintos;



- (e) financial servicing and performance of the terms of the Notes depend upon both the performance by each Borrower of its obligations under the Series Specific Loan, its duties to make payments under the Series Specific Loan and its credit and financial standing, and the performance by the Lending Company, the Guarantor and/or the pledgor of their respective contractual obligations towards the Issuer and Mintos as well as their respective credit and financial standing;
- (f) the Notes, which the Noteholder has or will acquire, reflect the performance of the relevant Series Specific Loans. The Noteholder has no direct recourse to any of the Series Specific Loans or the corresponding Loan Receivables. Once the Loan Receivables have been realised according to these Terms and Conditions, the Noteholder is not entitled to take any further steps against the Issuer or Mintos to recover any further sums due and the right to receive any such sum will be extinguished. The Noteholder accepts not to attach or otherwise seize any of the assets of the Issuer. In particular, the Noteholder will not be entitled to petition or take any step for the winding-up, the liquidation or the bankruptcy of the Issuer or any similar insolvency-related proceedings and such petition or action will be treated as null and void as from its initiation time; and
- (g) the Investment Accounts will be opened and held by the Noteholder fully operational with Mintos while the Noteholder holds any Notes.

## 13. TAXATION

*The information provided in this section will not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Notes applicable to their particular circumstances. The following is a general summary of certain tax considerations in the Republic of Latvia in relation to the Notes. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Notes, as well as does not take into account or discuss the tax implications of any country other than the Republic of Latvia.*

***Tax laws of the Noteholder's country of residence for taxation purposes and of the Issuer's country of residence may have an impact on the income received from the Notes.***

This summary is based on the laws of Latvia as in force on the date of this Base Prospectus and is subject to any change in the law that may take effect after such date, provided that such changes could apply also retroactively.

Latvia has entered into a number of tax conventions on elimination of the double taxation (hereinafter - DTT), which may provide a more favourable taxation regime. Therefore, if there is a valid DTT between Latvia and the country of tax residence of a prospective Noteholder, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion", adopted on 30 April 2001.

### **Taxation of the Issuer**

Issuer is a corporate income tax payer in Latvia. According to the Latvian tax law, the annual profit earned by entities in Latvia is not taxed. Instead, Corporate income tax is paid on dividends, fringe benefits, gifts, donations, representation costs, non-business related disbursements and transfer pricing adjustments. The tax rate applicable is 20%, however, the taxable base is divided by the coefficient 0.8, thus the effective Corporate income tax rate is 25%.

### **Taxation of the Noteholders individuals**

#### *Resident individuals*

An individual will be considered as a resident of Latvia for taxation purposes, if at least one of the following requirements is met:

- the declared place of residence of this person is in Latvia;
- the person stays in Latvia for at least 183 days over the course of a period of 12 consecutive calendar months;
- the person is a Latvian citizen who is employed by the government of Latvia in a foreign country.

In accordance with the Latvian tax laws the interest income received by the individual tax resident in Latvia is subject to tax at the rate of 20%. The interest income from the Notes for resident individuals will be subject to 20 % personal income tax that will be withheld by the Issuer before the Interest payment is made by the Issuer to the Noteholder. The tax withheld by the Issuer is a final tax liability on the interest income received.

The income from the sale of the Notes is treated as an income similar to the interest income for the Latvian personal income tax purposes and will be subject to 20% personal income tax and the tax is payable by the individual him/herself.

#### *Non-resident individuals*

*An individual would be considered as a non-resident of Latvia for taxation purposes in all cases unless he/she is a tax resident of Latvia. Interest income from the Notes received by the non-resident individual is subject to a 5% withholding tax rate for investors who invest as private persons and are tax residents of EU/EEA. For other individual investors and those who have not confirmed tax residence and not investing as a private person 20% withholding tax rate is applied. According to the general practice the tax withheld in Latvia might be deducted from the tax payable by the investor in his/her residence country (as tax paid abroad). However, we recommend consulting with the respective country's tax administration or tax adviser to clarify the procedure and documents required to perform such a deduction (if any).*

*The tax rate might be reduced based on the Double Tax Treaty between Latvia and the respective country. The list of the Double Tax Treaties concluded by Latvia is available [here](#).*

*The income from the sale of the Notes will be subject to 20% tax and the tax would be payable by the individual him/herself, if the buyer of the Notes is an individual or legal entity non-resident of Latvia.*

### **Taxation of the Noteholders - legal entities**

#### *Resident legal entities*

A legal entity would be considered as a resident of Latvia for tax purposes, if it is established pursuant to the Latvian law. Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident legal entities will not be subject to withholding tax in Latvia. Under the Latvian tax law retained earnings are exempt from corporate income tax and only profit distributions are taxed. Distributed gross profits are subject to the 20% profit tax. Corporate income tax on net amount of profit distribution is determined by dividing net amount with a coefficient of 0.8 (i.e., effective tax rate on net distributed profit is 25%).

#### *Non-resident legal entities*

A legal entity would be considered as a non-resident of Latvia for taxation purposes in all cases unless it is a tax resident of Latvia. The interest income and capital gains from the sale of the Notes for non-resident legal entities will not be taxable in Latvia (i.e. gross income will be paid), except if the income recipient is located, registered or incorporated in a no-tax or low-tax country (so called "tax havens"; if this is the case - 20% tax will be withheld by the Issuer in Latvia). The list of "tax havens" according to the Latvian law includes UK Anguilla, US Guam, US Samoa, US Virgin Islands, Commonwealth of the Bahama, Republic of Fiji, Republic of Palau, Republic of Panama, Independent State of Samoa, UK Turks and Caicos Islands, Republic of Trinidad and Tobago, Republic of Vanuatu. The list of mentioned countries and territories may be amended from time to time.

## 14. APPLICABLE FINAL TERMS

The form of Final Terms that will be issued in respect of each Series, subject only to the deletion of non-applicable provisions, is set out below. The completed Final Terms for each Series, which are described in this Base Prospectus as the "Final Terms" will be published on the website: [www.mintos.com](http://www.mintos.com).

Final Terms dated [...] [...] [...]

### SIA Mintos Finance No. 1 (the "Issuer")

(incorporated as a limited liability company and registered in the Republic of Latvia with registration number Reg. No: 40203387618)  
LEI: 984500B4065C92C4FC69

### Series [...] EUR [...] Notes

relating to the Loans with the reference numbers:

[...]

issued by Mintos Finance Estonia OÜ (the SPV) to "MOGO" Universal Credit Organization Limited Liability Company (the Lending Company) linked to loans issued by the Lending Company to its borrowers

Terms used herein will be deemed to be as defined in the Base Prospectus dated 07.09.2023 for the purpose of the Prospectus Regulation, in respect of Notes issued by the Issuer. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplements, if any] is available for viewing on the website [www.mintos.com/\\*\\*](http://www.mintos.com/**). The summary of the individual issue of the Notes is annexed to these Final Terms as Appendix 1.

The Base Prospectus under which the Notes specified in these Final Terms are issued, loses its validity on [...] or by the publication of a new base prospectus for the Notes in the Programme currency related to the Lending Company immediately succeeding this Base Prospectus (the "New Base Prospectus") depending on which event occurs earlier (the "Expiry Date of the Base Prospectus"). Notwithstanding the above, the Notes specified in these Final Terms\* shall continue to be subject to the terms and conditions of the Base Prospectus. From the Expiry Date of the Base Prospectus, these Final Terms must be read in conjunction with the New Base Prospectus. The New Base Prospectus will be available (no later than the Expiry Date of the Base Prospectus) on the website <https://www.mintos.com/en/>.

\*Notes, which Maturity Date specified in the Final Terms exceeds Expiry Date of the Base Prospectus.

### Part 1 - Contractual terms

#### 1.1. Information concerning the Notes to be offered to the public:

Number	Disclosure requirement	Details
1.1.1.	Series:	[...]
1.1.2.	ISIN Code:	LV[...]
1.1.3.	Specified Currency:	[...]
1.1.4.	Aggregate Nominal Amount:	[...]
1.1.5.	Specified Denominations:	The Series Aggregate Nominal Amount is divided into [...] Notes.

		Nominal amount of the Note is [...].
1.1.6.	Issue Price:	100% of the Notes nominal amount
1.1.7.	Offer Price of one Note:	[...] or Principal Amount Outstanding of one Note
1.1.8.	Issue Date:	[...]
1.1.9.	Maturity Date:	[...]
1.1.10.	Interest Rate:	[...] % per annum
1.1.11.	Interest Accrual Periods:	From the Notes purchase date up to, but not including the Loan Interest Payment Date for the first Interest payment. From the previous Loan Interest Payment Date up to, but not including the next Loan Interest Payment Date or Loan Repayment Date for the last Interest payment
1.1.12.	Interest Payment Date (s):	Up to 10 Business Days after the corresponding Loan Interest Payment Date (1.2.22.) and subject to the actual receipt by the Issuer of the relevant payment in relation to the Loan from the Lending Company
1.1.13.	Redemption Date (s):	Up to 10 Business Days after the corresponding Loan Repayment Date (1.2.22.) and subject to the actual receipt by the Issuer of the relevant payment in relation to the Loan from the Lending Company
1.1.14.	Indication of Yield:	[...] % per annum
1.1.15.	Buyback Obligation:	[...]

## 1.2. Information relating to the Series Specific Loans

Information relevant to the pool of Series Specific Loans and the Borrower's Loans linked to them

Number	Disclosure requirement	Details
1.2.1.	Borrowers' Loan type:	[...]
1.2.2.	Borrowers' Loan disbursement currency:	[...]
1.2.3.	Total outstanding principal amount of Series Specific Loans transferred to the Issuer:	[...]
1.2.4.	Series Specific Loans Interest rate (%):	[...]
1.2.5.	Late Payment Interest (%):	[...]
1.2.6.	Grace Period:	[...] days
1.2.7.	Amortization method:	[...]
1.2.8.	Extension possibility:	[...]
1.2.9.	Limit on the number of Extensions:	[...]
1.2.10.	Total maximum time limit of Extensions:	[...] calendar days as of the Loan Final Repayment Date

**Information on the Series Specific Loans and the Borrower's Loans linked to them**

<b>Series Specific Loans</b>										
1.2.11. Loan ID	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.12. Outstanding principal amount	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.13. Final Repayment Date*	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
<b>Borrower's Loans</b>										
1.2.14. Loan ID	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.15. Outstanding principal amount	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.16. Final Repayment Date*	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.17. Initial Loan-to-Value (LTV) (%)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.18. Current Loan-to-Value (LTV) (%)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.19. Borrower' s details	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]

1.2.20. Collateral provided by the Borrower to the Lending Company	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.21. Collateral description	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]

\*Unless the early Loan repayment and/or the Loan term extension takes place. For more information, please see Section 12 “Terms and Conditions of the Notes” in the Base Prospectus.

1.2.22. Loan Interest Payment Dates and Loan Repayment Dates and amounts

Loan ID	[...]	[...][...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
Loan Repayment Date and Loan Interest Payment Date	Principal / Interest	Principal / Interest	Principal / interest	Principal / Interest	Principal / Interest	Principal / Interest	Principal / Interest	Principal / Interest	Principal /Interest	Principal /Interest
[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]	[...]/[...]



## Part 2 - Responsibility and authorisation

The Management Board of the Issuer:

Title Name, surname
Chairman of the Management Board Martins Sulte
Member of the Management Board Martins Valters

accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus referred to above, contains all information that is material to the issue of the Notes.

The information provided in the elements 1.2.1., 1.2.2., 1.2.14. – 1.2.21. above has been sourced from “MOGO” Universal Credit Organization Limited Liability Company (the “Lending Company”). The information provided in the elements 1.2.3. - 1.2.13., and 1.2.22. above has been sourced from Mintos Finance Estonia OÜ (the “SPV”).

Hereby the Issuer confirms that this information has been accurately reproduced according to the process of information exchange via API, provided in the Transaction Documents and that as far as the Issuer is aware and is able to ascertain from information provided by the Lending Company and/or SPV, no facts have been omitted which would render the reproduced information inaccurate or misleading. For the aforesaid limitation of the Issuer's and Mintos liability provided in the Subsection 12.25. “Limitation of Liability” in the Base Prospectus applies.

This Notes Series issue is authorised by [...] of the Issuer, Minutes No. [...] as of [...] [...] 2023.