Base prospectus

mintos

Dated 29.10.2026

SIA Mintos Finance No. 11

(incorporated as a limited liability company and registered in the Republic of Latvia with registration number 50203392201 and LEI: 984500AF37C43BDDAB91)

EUR 100 000 000 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 100 000 000 (one hundred million euro note) (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 in Latvia, France, Germany, Italy, Poland, Netherlands, Czech Republic, Belgium, Austria, Portugal and Spain 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 Bulgaria, Croatia, Republic of Cyprus, Denmark, Estonia, Finland, Greece, Hungary, Iceland, Ireland, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, 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.

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

API	application programming interface to exchange and transmit information and data in a structured form between the Issuer, the Lending Company and Mintos.
Backup Servicer	the legal entity (if any) engaged by the Issuer to service and administer the Loans.
Base Prospectus	this base prospectus.
Borrower	the debtor or debtors of a Loan.
Buyback Obligation	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.
Cooperation agreement	the cooperation agreement between the Issuer, the Lending Company and Mintos in relation to the Notes, and in relation to the notes issued under other programmes.
Final Terms	any duly completed final terms in the form set out in section 11 of this Base Prospectus.
Investment Accounts	the separate accounts at Mintos of the Investor.
Investor	a person registered and accepted on the Platform as an investor.
Issuer	SIA Mintos Finance No.11, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 50203392201 on 07.04.2022, has its registered office at Skanstes street 52, Riga, LV-1013, Latvia, a special purpose entity whose principal purpose is the issue of Notes
Issuer's Account	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) and the Investors.
Lending Company	**WATU CREDIT LIMITED**, a limited liability company existing under the laws of the Republic

	of Kenya, registration number CPR/2013/118599, registration incorporation date 11.10.2013, having its registered address at Hill Park Building, Lower Hill Road, Upper Hill - Nairobi, P.O Box 15138-00100, Nairobi, Kenya.
Loan	the principal amount outstanding under the Loan Agreement.
Loan Agreement	each consumer loan agreement between the Lending Company and the Borrower as specified in the applicable Final Terms.
Loan Receivables	the receivables under the Loan Agreement relating to 90 % of the Loan that are assigned and to the extent that are assigned to the Issuer under the Purchase Agreement.
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 01.06.2015, having registered address at Skanstes Street 50, Riga, LV-1013, Latvia, an investment firm authorised by the NCA, which provides investment and related services to Investors through the Platform.
Mintos Group	AS Mintos, a joint stock company incorporated and existing under the laws of the Republic of Latvia, registered with the Enterprise Register of the Republic of Latvia (*Latvijas Republikas Uzņēmumu reģistrs*) on 27.05.2015 with registration number: 40103902690, and any of its subsidiaries.
NCA	the Bank of Latvia (in Latvian: *Latvijas Banka*), national competent authority and the competent authority supervising investment services in the Republic of Latvia (https://www.bank.lv), and as competent authority under the Prospectus Regulation.
Notes	the notes issued or to be issued under this Programme.
Noteholder	the holder for the time being of any Note.
Platform	sites created and serviced by Mintos, merged under the domain name www.mintos.com and software application to access it from a

	smartphone.
Pledge Agreement	the pledge agreement by and between the Lending Company as the pledgor and the Issuer as the pledgee over certain assets as described in this Base Prospectus.
Purchase Agreement	part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the Lending Company of the Loans.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and includes any commission delegated regulation under the Prospectus Regulation.
Programme	this EUR 100 000 000 (one hundred million euro) Note Programme.
Repurchase	has the meanings set out in the section entitled '4. TRANSACTION OVERVIEW – *THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – Repurchase*' of this Base Prospectus.
Securities Act	the United States Securities Act of 1933, as amended.
Series	a series of Notes.
Transaction Documents	the Cooperation Agreement, the Transfer Document, and the Pledge Agreement.
Transfer Document	the document generated by Mintos evidencing the transfer of Loan Receivables from the Lending Company to the Issuer in accordance with the Purchase Agreement.
Watu Group	**WATU HOLDINGS LTD**, a limited liability company existing under the laws of the Republic of Mauritius, registration number 165853 GBC, registration incorporation date 9th July 2019, having its registered address at C/O Unit 5ABC, 5th Floor, Standard Chartered Tower, 19 Cyber

City, Ebene, Mauritius, and any of its subsidiaries (including the Lending Company).

1. GENERAL DESCRIPTION

- **What is Mintos?**

Mintos is a European investment platform that enables individuals to build long-term wealth, with €800 million in assets under management for almost 700 thousand registered users (as of December 1, 2025). Authorized under MiFID (*Markets in Financial Instruments Directive*), Mintos enables users to build diversified portfolios of income-generating investments through both automated and manual investments. Mintos has earned multiple industry awards since its founding in 2014.

For more information, see section '6. MINTOS' of this Base Prospectus.

- **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 Lending Company to Borrowers.

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

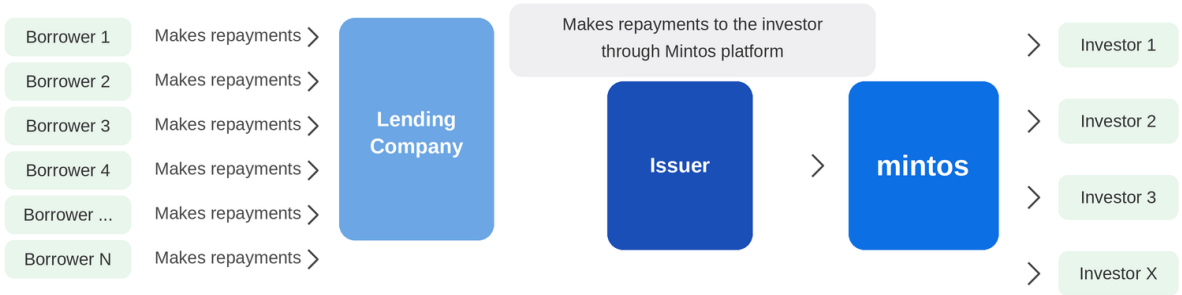
- purchasing Loan Receivables from the Lending Company;
- pooling those Loan Receivables for a particular Series of Notes; and
- issuing those Notes to Investors via Mintos.

The Issuer may issue financial instruments (notes) in cooperation with lending companies which are in Watu Group.

See the sections entitled '5. THE ISSUER' and '7. THE LENDING COMPANY' of this Base Prospectus for more information.

- *The flow of funds for repayment*

Each time the Borrower makes repayments to the Lending Company, the Lending Company transfers the funds to the Issuer, which in turn makes repayments under the relevant Series of Notes to the relevant Investor via Mintos in terms as specified in Final Terms. The repayments are received into the relevant Investment Account.



This means that if the Borrower makes:

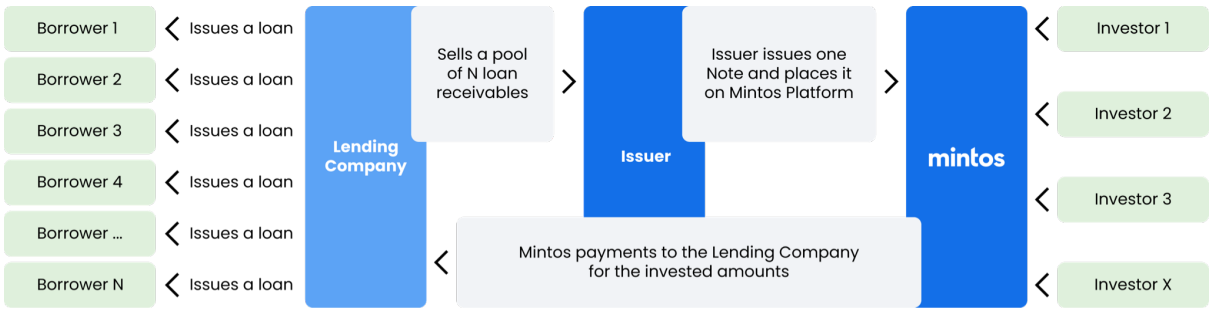
- the repayments to the Lending Company later than scheduled, the repayments to the Investor will also be correspondingly delayed*; and
- no repayments at all and the Lending Company is not able to recover anything from the Borrower, no repayments will be received by the Investor.

**in case the Lending Company has the rights to substitute respective underlying assets (Loan Receivables), the Lending Company is obligated to make timely interest payments from its own funds, regardless of whether the Borrower delays those repayments in part or in full. When the Borrower's payments are received for the already paid accrued interest, the Lending Company may retain the respective amount as it has already made.*

The Lending Company has to provide 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 repay the Loan Receivables together with any interest. In this situation, the Investor will be 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, and then 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 the 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 Lending Company.



- *The rights to substitute the underlying assets*

The Notes Series may be backed by (a) a Pool of Loan Receivables that remains constant, as well as (b) the Lending Company may choose to have the Notes Series issued in such a way that the Loan Receivables of the Pool are not constant and that the rights to substitute the assets (Loans) apply. When the Notes Series is type (b), it will be mentioned in the Final Terms with respect to that Notes Series. This subsection "The rights to substitute the underlying assets" applies to such (b) type of Notes Series.

The Loan Receivables are not constant and may change until the maturity date of the respective Notes Series, i.e. according to the provisions of the Cooperation Agreement the Lending Company has rights to substitute the underlying assets (Loan Receivables). The below is not a precise wording of the Cooperation Agreement provisions on the Lending Company's rights to substitute the underlying assets, it is just a description of their essence.

When an initial pool of the Loan Receivables is formed, the Final Terms are issued with information included in the Final Terms on those Loan Receivables that are included in the respective pool on the day of issuance of the Final Terms, however those Loan Receivables and whichever are added while the Notes are outstanding may be substituted if respective substitution event occurs.

The substitution event is an event that may occur for the respective pool of the Loan Receivables, and which shall be deemed having occurred each time when the total outstanding principal of the viable Loan Receivables (i.e. Loan Receivable which is included in the pool, and which has not become

subject to the Repurchase or Buyback Obligation) drops below the total outstanding principal of the Loan Receivables which were included in the initial pool, i.e. because of scheduled or early partial repayment of particular Loan Receivable event, as well as because of change of schedule or conditions for particular Loan Receivables repayment which might be related to Borrower withdrawing additional amount under particular Loan Agreement, etc..

If the substitution event occurs, the Lending Company shall within the period as stipulated in the Cooperation Agreement add to the respective pool new Loan Receivable(s) (of the same Loan type and its repayment term range, disbursement currency, etc.) to replenish the pool accordingly. The remaining term of the newly added Loan Receivable may be longer than the maturity date of the Notes of respective Series.

Without prejudice to other requirements, the total outstanding principal of the viable Loan Receivables in the pool must be in total no less than that of the initial pool on the day when the Final Terms were issued. The replenishment shall be performed by the Lending Company adding new Loan Receivable(s) to the pool. The adding of new Loan Receivables to the pool does not trigger generation of new Final Terms.

If the substitution event occurs, and the Lending Company within the period as stipulated in the Cooperation Agreement has not added to the respective pool the new Loan Receivables, the Repurchase obligation in respect to all Loan Receivables in the pool of the respective Series of Notes arises and no more substitutions of Loan Receivables of that pool would take place. See section entitled '4. TRANSACTION OVERVIEW – *THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – Repurchase*' of this Base Prospectus.

When the Lending Company has the Repurchase obligation with respect to all Loan Receivables of the pool, the Investor will be exposed to the credit risk of the Lending Company with respect to its ability to pay the repurchase price for that entire pool. See section entitled '2. RISK FACTORS – *RISKS SPECIFIC TO LOAN SERVICING* – Insolvency of 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 or the Lending Company's business, financial condition, results of operations and prospects. The Issuer 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 or the Lending Company to pay interest, principal or other amounts on or in connection with any Notes 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 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, which means that if any of the Borrowers do not make a payment on time, then the Noteholder will also not 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. Furthermore, if a Borrower makes no repayment at all and the Lending Company is not able to recover anything from the Borrower, the Noteholder will also not receive any further repayments unless, if applicable, the Loan is sold with the Buyback Obligation.

The Lending Company may decide to offer additional compensation to the Noteholder in the form of interest income on delayed payments or penalty income. A 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. Interest income on delayed payments and penalty income would not be paid to the Noteholder for the grace period.

The Lending Company also has the option to offer the Loan Receivable 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. It may not be possible to recover the full principal and interest owed by the Borrowers, thus the Noteholder may not receive back its invested amount

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 covered from the Borrower.

The underlying Loans that are linked to the Note do not restrict the Borrowers from incurring additional unsecured or secured debt. This means that if the 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 owns money to, such as local tax agency, state authorities, other lending companies and utility companies.

If the 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 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 recategorized 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 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.

The financed device (a smartphone or tablet) serves as the security for the Loan, but the Lending Company does not pursue physical repossession of the device. Recovery relies on a remote software lock (Samsung Knox Guard) installed on the device firmware, which restricts the functionality of the device until the Borrower resumes payment. Accordingly, the effective security is the Borrower's incentive to regain use of the device rather than the realisable resale value of a repossessed asset. If a Borrower remains in default and does not seek to restore the functionality of the device, or if the device is lost, damaged, rendered unusable or its locking mechanism is defeated, there may be no asset from which the outstanding amounts can be recovered, and the relevant amounts are typically written off. As a result, actual recoveries on defaulted Loans may be substantially lower than the outstanding principal and interest owed, and the Noteholder may experience partial or full loss of the amount invested in Notes.

In addition, the Loan Agreement may, for a variety of reasons, be challenged and thus the ability of the Lending Company to exercise its rights under the Loan Agreement may be delayed or otherwise hindered for an undefined term. The reasons for challenging the 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.

3. The security relies on a remote software lock that may be circumvented, hacked or otherwise defeated

The recovery of amounts owed under the Loans depends to a significant extent on the effectiveness of the remote software lock (Samsung Knox Guard) applied to the financed device. Because the Lending Company does not pursue physical repossession of the device, the software lock is in practice the principal enforcement mechanism available to it. The Lending Company has identified widespread, organised hacking as the primary individual risk affecting the performance of its loan portfolio. If the software lock is circumvented, hacked, "flashed" or otherwise defeated – whether through vulnerabilities in the device firmware or the locking technology, illegal software modification, IMEI manipulation, or the actions of organised fraud syndicates – the affected Borrower may continue to use the device without making payment, and the Lending Company may be left with no effective security for the Loan. Although the Lending Company operates a range of anti-fraud and counter-hacking measures, there can be no assurance that these measures will be effective or timely, that new vulnerabilities will not emerge, or that circumvention will not become widespread. Any significant or systematic circumvention of the software lock could materially increase default and loss rates across the loan portfolio, reduce recoveries, and result in the Noteholder experiencing delayed repayments or partial or full loss of the amount invested in Notes.

4. The Borrower may repay the 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 Loan. The 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 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 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.

- ***RISKS SPECIFIC TO LOAN SERVICING***

1. The Lending Company is not able to continue Loan servicing

Various factors can negatively impact the Lending Company's ability to provide Loan servicing, 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 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.

- **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. Licence/ authorization may be revoked or otherwise lost for a number of reasons. Loss of a licence/ authorization may negatively affect the Lending Company's ability to continue its operations and service the existing Loans.

- **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 to 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. 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 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 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 a Borrower in Kenyan Shilling, 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.

2. No Backup Servicer may be available for servicing the underlying 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 Loan servicing. 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 Loans and administration of the Borrowers' debts by the Lending Company and if at the time no backup solution for 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 is not able to maintain sufficient loan pool to substitute the Loan Receivables

The Note's principal is backed by the pool of underlying Loan Receivables. The Lending Company has an obligation to substitute or add Loan Receivables to the pool of any Loan in the pool of respective Series of Notes being repaid, repurchased or bought back. The Loan Receivables have to comply with the pooling criteria under the respective Series of Notes. If the Lending Company cannot substitute or add Loan Receivables to maintain the pool of Loan Receivables in line with pooling criteria and so that the outstanding principal of all Loan Receivables of the pool is no less than was the outstanding principal of the Loan Receivables included in the initial pool criteria, the Lending Company has an obligation to repurchase all the Loan Receivables of that pool, thus creating a significantly larger liquidity gap.

The Lending Company might not be able to substitute or add Loan Receivables if:

- The issuance of the Loans has decreased and thus there are not enough Loans to use for substitution or adding of Loan Receivables;
- There are not enough current Loans;
- The rest of the Loans or new Loans are already pledged to other creditors or assigned to others;
- The Loans cannot meet the pooling criteria within the respective Series of Notes.

4. 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 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:

- **Loan Receivables sold to the Issuer are or will be pledged to other creditors -** According to the Transaction Documents, to which the Lending Company is a party, the Loan Receivables underlying Notes must not be pledged to any creditors. If the Lending Company intentionally or unintentionally pledges the specific Loan Receivables sold to the Issuer to other creditors, the Noteholder could lose some or all the invested funds if the Lending Company defaults or becomes insolvent.

- **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 Loans or changes to the Loan Agreements. While Mintos regularly asks the Lending Company to provide scanned copies of the documents as evidence for randomly selected Loans, Mintos does not check and verify all 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.

5. 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 service issued Loans and to execute the undertaken Buyback Obligation and Repurchase towards the Issuer. This means that if the Lending Company experiences significant problems, the Lending Company may not be able to transfer the underlying Loan repayments from the Borrower or make payments of buyback price or repurchase price to the Issuer which would mean that the Issuer would not be able to make payments to the Noteholder.

The Lending Company may be required to continue to treat the Loan Receivables as assets of the Lending Company from an accounting perspective. Reflection or recognition of the Loan Receivables sold to the Issuer as the Lending Company's balance sheet assets if insolvency proceeding is initiated, may lead to the receiver or the administrator not recognising the Issuer's title over the Loan Receivable sold to it. In this case, the Issuer would need to take legal actions to protect its interests in the Loan Receivables. The Issuer may have to prove to the administrator, receiver and/or other parties that the Loan Receivables and the Borrower payments towards them are not to be included in the assets of the Lending Company that are available for the general pool of creditors. Should the Loan Receivables be treated as assets of the Lending Company that are available for the general pool of creditors and not of the Issuer, the Issuer might be treated as an unsecured creditor of the Lending Company and it may then be entitled to receive only a portion of all distributions available to the unsecured creditors of the same class, and this portion of distributions may be not enough to cover the indebtedness towards the Issuer partially or in full.

In case of insolvency, an administrator usually is 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, the Loan Receivables sold to the Issuer or amounts paid to the Issuer. The Issuer would then have to take legal actions to protect its interests in the Loan Receivables and the Borrower payments 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.

The Transaction Documents allow Mintos to appoint a backup servicer, who would take over the servicing of the Loan Receivables in case of insolvency or bankruptcy of the Lending Company. The enforcement of rights under contracts might not result in recoveries for the Noteholder in a swift manner, and the recovery might be affected by lengthy and costly legal proceedings.

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

6. 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 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 Mintos audits the Lending Company's IT systems thus cannot ensure their soundness.

- ***RISKS SPECIFIC TO PLEDGES WHEN THOSE ARE PROVIDED TO THE ISSUER***

1. The pledgor may not honour its obligations

The Pledge Agreement forms part of the Transaction Documents, provided to secure the obligations of the Lending Company towards the Issuer.

Under the Pledge Agreement, the pledgor is expected to allow the Issuer 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 to the Issuer 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 pledge may become invalid or unenforceable' below).

2. The pledgor may default

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

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 may decide to terminate cooperation with the Lending Company and request that the Lending Company repurchase all Loan Receivables before their term.

3. The pledge may become invalid or unenforceable

There is a risk that pledges securing the Lending Company obligations towards 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 pledges are formed. In that case, the obligations of the Lending Company towards the Issuer defined by the Transaction Documents become unsecured and the credit risk significantly increases, and that may trigger the Issuer terminating cooperation with the Lending Company and requesting repurchase by the Lending Company of all the Loan Receivables before their term. If there is no pledge to enforce against then the Issuer is left with the Lending Company as the only debtor party 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 licence 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 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 9 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.

1. 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.

2. 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.

3. 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 PLEDGES WHEN THOSE ARE PROVIDED TO THE ISSUER*' and '*RISKS SPECIFIC TO MINTOS'*.

- ***RISKS SPECIFIC TO NOTES***

1. The Noteholder has no rights of recourse against the Borrowers, the Lending Company, 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 Borrowers and no ability to independently and in its discretion to pursue any Borrower to collect payments under the relevant Loan. For the same reason the Noteholder will have no direct recourse against the Lending Company, and/or the pledgor, and no ability to pursue the Lending Company, 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 Lending Company, including the payments from the Borrowers received by the Lending Company, 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. Mintos may defer, and the Terms and Conditions of the Notes may automatically

postpone or extinguish, payments due to the Noteholder

Under the Terms and Conditions of the Notes, 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, Mintos, acting on behalf of the Issuer and at its sole discretion, may decide that the Issuer pays only part of the amount due, or defers the payment until the full amount due is available. Such partial payment or deferral does not constitute an Event of Default under the Terms and Conditions of the Notes.

Furthermore, if any amounts remain outstanding on the Maturity Date, the Maturity Date will be automatically postponed until amounts due are paid in full or until (i) Mintos concludes, following notification from the Lending Company, that there is no realistic prospect of collecting further funds from Series Specific Loans not subject to the Buyback Obligation or Repurchase, or (ii) the Issuer and Mintos determine that there is no realistic prospect of collecting further funds from Series Specific Loans subject to the Buyback Obligation and/or Repurchase where full payment has not been received, or, if earlier, the 10th anniversary of the Maturity Date, at which point the Notes will be cancelled in full, the Issuer will be deemed to have fulfilled all of its payment and other obligations to the Noteholders, and no Noteholder will have any further right in respect of the Notes.

As a result, a Noteholder may experience a delay, a partial payment, an extended maturity, or a permanent loss of part or all of the amount otherwise due.

6. 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 Watu 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.

7. 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 a 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 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.

8. 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.

9. 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.

10. 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 licences and authorisations. Eventually, this could lead to delayed payments or partial or full loss of invested amounts under Notes.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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 REGULATION S UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. 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 '7. THE LENDING COMPANY' and '8. THE LOANS'). To the best of its knowledge, the information (other than the information in the sections entitled '7. THE LENDING COMPANY' and '8. THE LOANS') 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 are 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 Lending Company accepts responsibility for the information contained in the sections entitled '7. THE LENDING COMPANY' and '8. THE LOANS' of this Base Prospectus. To the best of its knowledge, the information contained in sections entitled '7. THE LENDING COMPANY' and '8. THE LOANS' of this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import. This statement is consistent with the representations and warranties given by the Lending Company pursuant to the Cooperation Agreement, under which the Lending Company has represented and

warranted that all information provided in those sections is true, complete and correct in all material respects.

Final Terms

Each Series of Notes will be issued on the terms and conditions set out under the section entitled '09. 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. A form of applicable Final Terms is set out under the section entitled 11. 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. In particular, 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 100 000 000 (one hundred million euro) (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

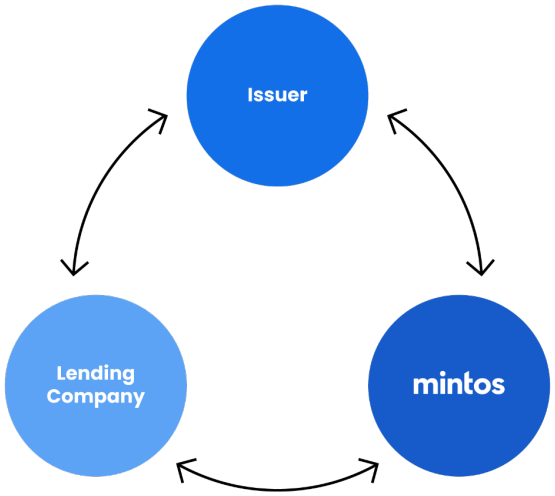
The Issuer is affiliated with Mintos and their website is www.mintos.com. Unless specifically incorporated by reference into this Base Prospectus, information on the website or any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites has not been 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

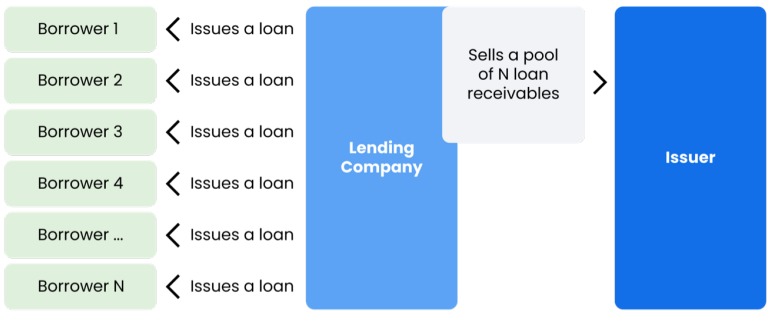
○ *THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES*

■ The Issuer, Mintos and the Lending Company

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



■ Transfer of the Loan Receivables by the Lending Company to the Issuer



The Lending Company makes, from time to time, an irrevocable offer to sell the Loan Receivables by using the API connection set up with Mintos.

The offer for sale of the Loan Receivable is accepted, on behalf of the Issuer, by Mintos generating the Transfer Document. Mintos verifies the information provided through the API. The Loan Receivables are required to meet certain eligibility criteria 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.

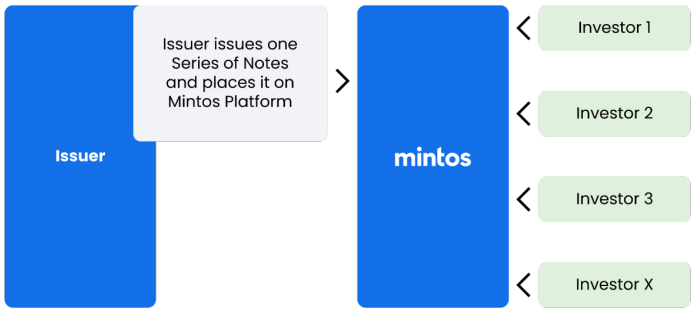
Payment for the acquired Loan Receivable is subject to placement of the Series of Notes.

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. The Lending Company retains in relation to each Loan (a) the 'skin in the game' in keeping 10% of the

principal amount outstanding and (b) any collateral consisting of pledge rights and title to the relevant device, if any.

The Borrowers are not notified of the transfer of the Loan Receivables. The Lending Company continues to service the Loan Receivables.

- **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 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.

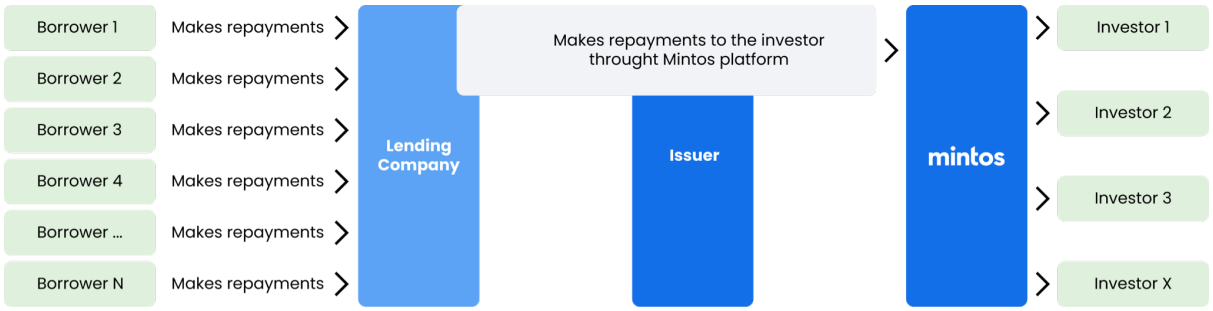
To purchase Notes from the Issuer, the Investor registered on the Platform submits an investment order using the “Primary market” section of the Platform, indicating the amount of money that the Investor wishes to invest in particular Notes. The Investor can also use automated portfolio management services 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 accrue 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. 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 principal value outstanding of the Notes and interest are paid at the maturity of the Notes.

See the risk factor entitled 'Mintos may defer, and the Terms and Conditions of the Notes may automatically postpone or extinguish, payments due to the Noteholder' in the section entitled '2. RISK FACTORS – RISKS SPECIFIC TO NOTES', and the section entitled '9. TERMS AND CONDITIONS OF THE NOTES' of this Base Prospectus, for a description of the circumstances in which payments under the Notes may be delayed, reduced or extinguished.

- **The Buyback Obligation**

The **Buyback Obligation** is the obligation, if any payment under any of the relevant Loans is delayed by more than 60 days, for the Lending Company to repurchase the relevant Loan Receivables from the Issuer, provided that the Buyback Obligation is stated as being applicable in the Final Terms.

If the Buyback Obligation is triggered, the relevant Series of Notes will be redeemed early in part once the Issuer has received the buyback price from the Lending Company. The buyback price 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 repurchase the Loan Receivable(s) from the Issuer on the occurrence of certain events specified in the Cooperation Agreement.

The Repurchase rights the Lending Company may exercise at any time with respect to any Loan Receivable(s). The repurchase price 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 of performing loans (loans that are not delayed by the Borrower), the Lending Company shall be obliged to repurchase the same amount of the Loan Receivables on non-performing loans with a delay of 1 to 59 days (if any) and on non-performing 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 on performing loans, the Lending Company shall be obliged to repurchase 10% (ten per cent) of the Loan Receivables on non-performing loans with a delay of 1 to 59 days and 10% (ten per cent) of the Loan Receivables on non-performing loans with a delay of 60 and more days. The Loan Receivables of non-performing loans subject to the repurchase are randomly selected by the Lending Company at its own discretion. If the 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 Loan Agreement from which the Loan Receivable arises;

(b) in case any of the following events occur:
- if the 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 Lending Company, the Borrower'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 Loan Receivable 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 Loan Agreements are not complied with or if the Lending Company breaches its duties as a servicer of the Loan Receivables; or
- if it is or becomes unlawful for the Lending Company to assign or offer the assignment of any new Loan Receivables according to the laws applicable to the Lending Company and/or Loan Receivables and/or to perform any of its obligations under the Cooperation Agreement in relation to the assignment or servicing of the Loan Receivable, for example in case of loss of licence by the Lending Company which affects the already

executed assignments or servicing of the Loan Receivables (i.e. having a retroactive effect).

The above is not the full and exact wording of the Cooperation Agreement provisions, however 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. 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 paying the repurchase price 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.

- **No credit enhancement**

The Notes do not benefit from any direct noteholder-facing credit enhancement; however, the Issuer benefits from Pledge Agreement securing the Lending Company's obligations towards the Issuer.

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 Lending Company. The Lending Company, in turn, is dependent on payments on the relevant 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 Lending Company and Mintos on the matters outlined in the above section entitled 'THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES'.

A sample of the Loan Agreement is provided in the schedule to the Cooperation Agreement. There are also other schedules to the Cooperation Agreement.

This Base Prospectus as submitted to the NCA for approval is not a schedule to the Cooperation Agreement but is agreed on in writing by the same parties as those of the Cooperation Agreement no later than on or about the date of submission of this Base Prospectus to the NCA for approval.

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 Lending Company 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 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 Lending Company has undertaken certain obligations, including:

(a) to collect and process payments from the Borrowers;

(b) to transfer payments from the Borrowers 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 Lending Company's property and any pledge rights, prohibitions or other encumbrances in favour of the Lending Company, its creditors or administrators would not be attributed to the Loan Receivables.

The appointment of the Lending Company as the servicer can be terminated by written mutual agreement between the Issuer, 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 Lending Company and Mintos terminate the appointment of the Lending Company as the servicer and appoint another person as the servicer of the Loan Receivables.

Substitution of the underlying assets

The Cooperation Agreement contains specific terms and conditions regarding the rights of the Lending Company to substitute the underlying assets (Loan Receivables) as described in the section entitled '1. GENERAL DESCRIPTION - THE RIGHTS TO SUBSTITUTE THE UNDERLYING ASSETS' of this Base Prospectus.

Extensions

The Lending Company may modify any of the Loan Agreements without approval of the Issuer, provided that payments from the relevant Borrower remain unchanged.

If provided in the Final Terms, the Lending Company may extend the repayment schedule of one or more of the Loan Agreements without the consent of the Issuer or the Noteholders provided that (a) there is no event of default under any of the 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.

The Lending Company may also extend the repayment schedule of one or more of the Loan Agreements without the consent of the Issuer 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 Loan Receivables including:

(a) all necessary and required procedures, checks and assessments have been performed to ensure the validity and enforceability of each of the Loan Agreements;

(b) information and documents provided regarding each of the Loans, the Loan Agreements and the Loan Receivables sold to the Issuer are true, correct and complete,

(c) the Lending Company is the sole owner of the Loan Receivables being sold to the Issuer and has full rights and authority to sell and assign the Loan Receivables, which are free and clear of all liens, pledges or encumbrances.

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

Each of the Issuer, the Lending Company 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 for breach of any of the obligations indicated in the Cooperation Agreement.

Each of the Issuer, 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 Defaul*t

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 under the Cooperation Agreement;

(b) the Lending Company non-compliance with the adjusted equity ratio set in the Cooperation Agreement;

(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 and/or Pledgor (if any);

(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 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;

(l) the Lending Company failed to register (perfect) the Pledge Agreement.

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, Mintos may stop:

(a) the execution of sales of the Loan Receivables to the Issuer;

(b) the placement of the Notes on the Platform; and

(c) 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 in its 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, and thus none of the said rights are exercised.

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 Pledge Agreement

General

Parties to the Pledge Agreement (official legal title is the Specific Debenture) (amended, restated and/or

supplemented from time to time) are the Lending Company and the Issuer (hereinafter – the Parties).

According to the provisions of the Pledge Agreement in order to secure the punctual payment and performance of any liabilities and obligations of the Lending Company towards the Issuer under the Cooperation Agreement and the Pledge Agreement (hereinafter – the Secured Obligations), the Lending Company agrees to create by way of a continuing security in favour of the Issuer a first fixed charge and a first floating charge over its loan receivables which arise out of the Loan Agreements and which are designated for sale and assignment to the Issuer under the Cooperation Agreement, together with any additional loan receivables designated for maintaining the Collateral Coverage Ratio (as described below), and all related present and future rights, monies and claims (hereinafter – the Charged Assets).

The floating charge converts into a fixed charge upon written notice by the Issuer and automatically upon an event of default. Upon the sale and assignment of Loan Receivables to the Issuer, the security in respect thereof merges with the Issuer's outright ownership.

Perfection of security

The Pledge Agreement states that the Lending Company shall, whenever required by the Issuer, execute such further documents and do all such acts and things as the Issuer may require for securing the Secured Obligations, facilitating the realisation of the security and exercising the Issuer's rights, powers and remedies, and irrevocably appoints the Issuer, by way of security, as its attorney to execute any documents required for perfecting the Issuer's title to, or vesting, the Charged Assets in the Issuer or its nominee or any purchaser. The Lending Company authorises the Issuer to register the required notices in the collateral registry under the Movable Property Security Rights Act of Kenya, with the costs of completion, stamping and registration borne by the Lending Company, and the Pledge Agreement is also registered with the Registrar of Companies of Kenya.

Obligations of the Lending Company

The Pledge Agreement contains several obligations of the Lending Company. The Lending Company has committed to the following main obligations for as long as the Secured Obligations remain outstanding including but not limited to:

(i) to ensure that at all times the aggregate outstanding principal amount of performing loan receivables forming part of the Charged Assets is not less than 1.2 (one point two) times the aggregate Secured Obligations then outstanding (hereinafter – the Collateral Coverage Ratio), a loan receivable being deemed "performing" if it is not more than 60 (sixty) days past due or as otherwise set out in the Cooperation Agreement. The Collateral Coverage Ratio is reported to the Issuer monthly, and any shortfall must be remedied within 24 (twenty-four) hours or, if outside Business Days, within 72 (seventy-two) hours, failing which an event of default occurs, and the Issuer may appoint an independent auditor, at the cost of the Lending Company, to verify compliance;

(ii) not to enter into a transaction to sell, lease, license, sub-license, transfer, assign or otherwise dispose of any Charged Assets other than as permitted under the Cooperation Agreement or with written consent of the Issuer;

(iii) not to without the prior written consent of the Issuer create or permit to subsist any security interest over all or any part of the Charged Assets (other than a lien arising by operation of law in the ordinary course of trading); and

(iv) upon the Issuer's request, to provide extracts from its register of charges and to procure the prompt discharge of any encumbrance revealed over the Charged Assets.

Representation and Warranties

The Lending Company gives representations and warranties under the Pledge Agreement, including, but not limited to, that it has the corporate power and authority to enter into the Pledge Agreement and to grant the security, that there has been no material adverse change in its financial condition and no undisclosed encumbrances exist, that the Pledge Agreement constitutes legal, valid, binding and enforceable obligations and effective security, that it is solvent, and that the Collateral Coverage Ratio is not less than 1.2.

Enforcement of the Pledge Agreement and application of the proceeds

Upon and at any time after the occurrence of an event of default listed in the Pledge Agreement including, among others, an Event of Default or a Material Event of Default under the Cooperation Agreement, non-payment, breach of covenants or warranties, unauthorised encumbrances, insolvency-related events, cessation of business or loss of necessary licences - the security shall become immediately enforceable and all Secured Obligations shall become immediately due and payable, and the Issuer will be entitled to exercise all rights, powers and remedies within the meaning of the applicable law, including to stop execution of sales of the Loan Receivables, placement of the Notes on the Platform and processing of submitted but not yet executed orders for the purchase of Notes.

During the enforcement procedure, the Issuer is entitled to appoint the receiver of the Charged Assets or an administrator of the Lending Company in accordance with the Insolvency Act of Kenya, and the Lending Company has consented, for the purposes of Section 71 of the Movable Property Security Rights Act, to the Issuer obtaining possession of the Charged Assets without an application to court. The Issuer may apply the proceeds recovered or received from the enforcement, after the costs of enforcement and any preferential debts, towards satisfaction of the Secured Obligations in such order as the Issuer may determine.

Term and termination

The security is a continuing security and the Pledge Agreement continues to be valid and in legal force until such time as the Secured Obligations are performed or paid in full, upon which the Issuer shall execute a discharge. Any release or discharge is conditional on no payment received by the Issuer being avoided or reduced under any insolvency law.

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 Kenya.

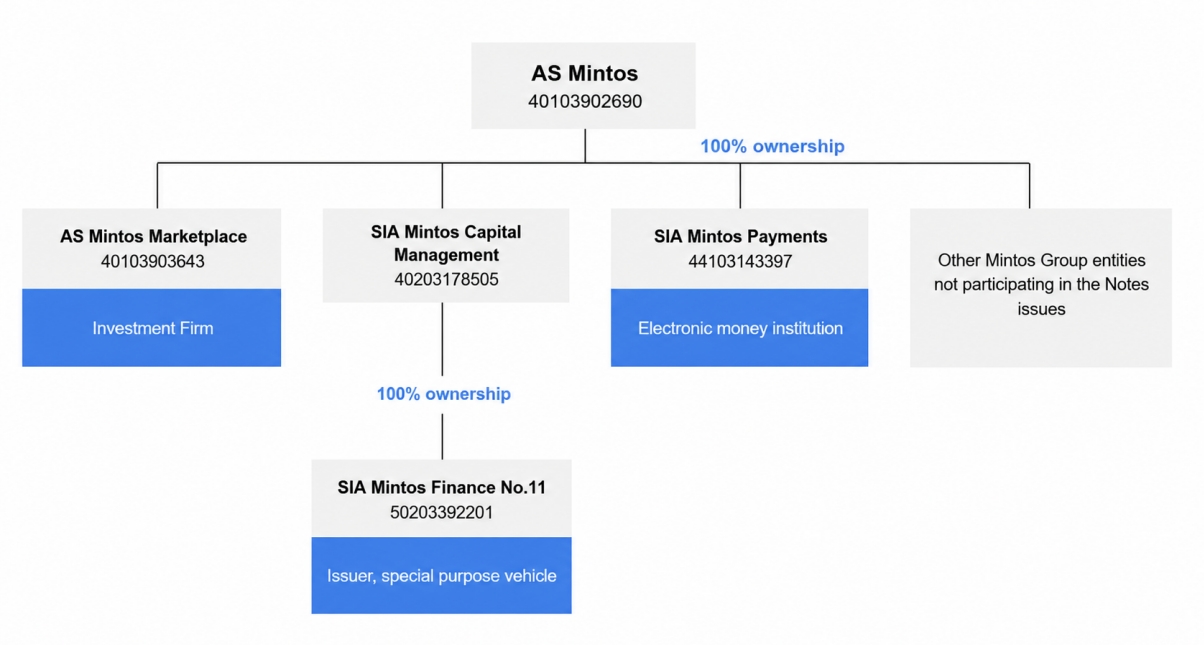
5. THE ISSUER

- **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 7 April 2022 under the name SIA Mintos Finance No.11 with registration number 50203392201. 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: 984500AF37C43BDDAB91.

The registered and paid-up 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, SIA Mintos Capital Management and Mintos
Member of the Management Board	Martins Valters	Member of the Management Board of AS Mintos, SIA Mintos Capital Management and Mintos

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, articles of association (Statutes) of the Issuer can be accessed on 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 Receivable from the Lending Company arising from the Loans issued to Borrowers;
- payments under the Notes through Mintos, subject to receiving relevant funds from the Lending Company; and
- publication of financial and other information to Investors in accordance with applicable law.

- **Financial information**

The financial statements for the years 2024 and 2026 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 years 2024 - 2026 are "KPMG Baltics SIA", registered in the Republic of Latvia on 16 December 1994 with registration number 40003235171.

The Issuer's financial data:

Audited financials 2024

Audited financials 2025

Unaudited financials Q2 2026

- **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 29.10.2026.

- **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 its last published financial statements.

- **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.

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

- reception and transmission of orders in relation to one or more financial instruments;
- 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 Austria, Belgium, Czech Republic, France, Germany, Italy, Latvia, Netherlands, Poland, Portugal and Spain. 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 in regulated credit institutions, including but not limited to AS LHV Pank (Estonia), Signet Bank AS (Latvia), and money market funds.

Mintos owns and operates the Platform which is the technical infrastructure through which (a) companies sell loans and other receivables or other assets to issuers, (b) the issuers offer and sell asset backed securities to investors backed by the acquired receivables or other assets and (c) information exchange and money flows occur between Investors, issuers and originators and services of the assets and receivables. Notes which are backed up by loans are one of the types of assets backed securities offered and available on the Platform. Also, Mintos offers and may offer other investment products or services to the Investors.

- 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, including but not limited (b) the Issuer and the lending company or other originator to transfer title in the receivables and exchange information in relation to the 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 other parties, (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 involved parties.

- Maintains the register of Noteholders.

- Complies with the Transaction Documents including monitoring of compliance 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 LENDING COMPANY

- **Business overview**

Business Model and Strategy

The Lending Company is a fast-growing, technology-driven digital asset financing company in Kenya. The Lending Company began its operations in 2015 as a microfinance institution, quickly pivoting to motorcycle (boda boda) financing, which served as the foundational origin of the company before it successfully expanded into mobile phone financing as well. The Lending Company has been officially licensed by the Central Bank of Kenya (CBK) as a Digital Credit Provider (DCP) since 29 May 2025. In 2021, the Lending Company diversified its offerings by introducing its smartphone financing business (Watu Simu), which has rapidly become the company's primary focus. The Lending Company targets unbanked and underserved populations who are traditionally locked out of mainstream financial services due to a lack of formal credit history or a regular salary. By matching flexible payment options to the unpredictable cash flows of daily wage earners and digital entrepreneurs, the Lending Company drastically minimizes credit risk. Borrowers have a high incentive to stay current with payments because the smart mobile phone serves as an essential tool for their economic livelihood, digital commerce, and social connectivity.

Since 2021, The Lending Company has originated close to 4 million smart phone loans, issuing an aggregate principal balance of approximately KES 53.5 billion as of 31 May 2026. In May 2026, the Lending Company had c.1.9m active Simu customers.

Competitive Advantages

The Lending Company is a recognized leader in the micro-asset financing landscape. The smartphone portfolio has become the company's primary growth engine, representing approximately 92.5% of the gross loan book as of early 2026.

Customer acquisition is completely organic and scale-driven, relying on a vast commercial footprint of over 300 mobile phone partner dealerships and around 17 thousand Front Officers (Customer Onboarding Officers) across Kenya.

The Lending Company utilizes a heavily customized *Mifos X* core platform seamlessly linked to proprietary backend modules. This enables real-time client validation, automated transaction mapping, and automated device locking directly tied to the payment gateway.

The Lending Company maintains an integrated operational partnership with Samsung, ensuring a reliable inventory pipeline backed by enterprise-grade security architecture.

Key Risk Mitigation Measures

The Lending Company deploys enterprise-grade smartphone locking systems (*Samsung Knox Guard*) directly onto the device firmware during onboarding. If a user defaults on their payment schedule, key handset functionalities are automatically restricted via API, providing an immediate incentive to pay.

The Lending Company utilizes an advanced, data-driven credit risk platform that analyses customer and dealer behavioural signals throughout the loan lifecycle to proactively predict delinquency and detect early signs of device tampering.

To ensure its Pay-As-You-Go locking technology remains secure, the Lending Company employs an internal team of ethical hackers. Their mission is to find hardware and software vulnerabilities in the

locking mechanism, intercept new bypass methods, and quickly develop effective countermeasures.

To counter hacking and illegal software flashing, the Lending Company runs a multi-layered security protocol. This includes a dedicated *Counter Flash Campaign (CFC)* call center to track suspect offline devices, an *Asset Risk Investigations (ARI)* team to target fraudulent syndicates as well as targeted enforcement that blocks the device's hardware IMEI across network providers to render hacked phones completely inoperable.

All client repayments and merchant funding cycles are entirely cashless, handled through digital payment integrations like *M-Pesa Paybill*. This eliminates money handling risk and shields the organization from internal fraud.

- **Loans**

Target Customers and Loan Purpose

The Lending Company's target customers are financially underbanked individuals, micro-retailers, students, and gig-economy workers who require modern digital access but cannot afford the upfront cash cost of a new device. These clients typically feature ad-hoc daily cash inflows and lack formal bank footprints.

Loans are strictly restricted to secured smartphone-acquisition financing. The Lending Company does not disburse direct cash loans; instead, it bridges the affordability gap by funding new 4G/5G smartphones and tablets. This enables customers to access digital banking, establish a virtual business presence, create digital content, or unlock remote educational platforms.

Key Loan Characteristics

Loan Structure	Pay-As-You-Go (PAYG): Obligors pay a flexible per diem fee to unlock phone usage for a specific timeframe. No late fees or penalty charges accrue if clients exceed their original tenure.
Down Payment	Requires an initial upfront deposit equating to between 20% and 30% of the phone's retail purchase price (average: 26.5%*).
Average Amount	Average initial principal amount of KES 14,114 per loan*.
Contractual Tenor	Standard contract duration of 16 months.
Currency	Kenya Shillings (KES).
Repayment Mode	Cashless daily, weekly, or variable mobile money micro-installments routed seamlessly through M-Pesa Paybill.
Security Package	Real-time API-driven Samsung Knox server locking parameters. The Lending Company does not pursue physical phone repossession due to high recovery overheads relative to asset value.

** for loans issued YTD May 2026*

***weighted by disbursed principal YTD May 2026*

**** June 2026 Management Accounts*

Loan Origination and Underwriting Process

The Lending Company utilizes a fully digital, highly automated loan origination process that takes place directly at the point of sale. The loan origination process is initiated on the ground by Customer Onboarding Officers through a dedicated mobile web portal.

To clear baseline underwriting, the smartphone applicant must satisfy the following parameters:

- Meet standard regulatory age guidelines.
- Provide a valid, government-issued photo identity card or passport.
- Furnish a tax Identification number (KRA PIN) certificate.
- Maintain an active, verified mobile money (M-Pesa) digital wallet.
- Hold cash reserves sufficient to pay the specific phone model's required down payment amount.
- Maintain a clean repayment track record if applying as a repeat customer.

The onboarding officer inputs the client's biographic details, scans documents, and logs the specific inventory details of the chosen phone, explicitly mapping its retail price, model, and physical hardware IMEI number into the Lending Company's system.

The data is pushed to a centralized hub where the back office team cross-reference details against automated internal databases and external telecom records to verify identity, screen for historical device fraud anomalies, and evaluate general risk eligibility.

Upon successful approval, the agent completes a series of technical setup protocols on the spot. This binds the phone's hardware profile to the Samsung Knox Guard enterprise server, triggers mandatory network firmware updates, installs the client-facing Watu App, and registers the phone for accidental damage protection via Samsung Care+.

The client reviews and electronically signs the digitized loan agreement. The Lending Company instantly approves the remaining cash balance for the phone sale directly to the partner dealer via an automated API, allowing the customer to walk out of the shop with an active, functional device.

- **Financial information**

The audited financial statements for the years 2024 and 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS); financial statements are prepared in Kenyan Shilling (Kshs) currency.

Audited Financials 2024

Audited Financials 2025

Unaudited Financials Q2 2026

In accordance with Section 52B of the Income Tax Act (Cap. 470) of the Republic of Kenya, the annual return of income with self-assessment (Form IT2C), including the audited financial statements, must be

prepared and submitted to the Kenya Revenue Authority electronically via the iTax system not later than the last day of the sixth month following the end of the reporting year, i.e. the 2026 financial report of the Lending Company must be prepared and submitted until 30.06.2027 .

The latest available audited historical financial information of the Lending Company is available on Mintos website: https://www.mintos.com/lv/notes-legal-documents/

- **Auditors**

The statutory auditors of the audited consolidated financial statements as of and for the financial years ended 31 December 2024 and 31 December 2025 was Deloitte & Touche LLP, Certified, incorporated under the laws of Kenya, having its registered office at Deloitte Place, Waiyaki Way, Muthangari, P.O. Box 40092 - GPO 00100, Nairobi, Kenya and registered with the Companies Registry, Kenya under number LLP-A1FA1Y.

- **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 entire process is decentralized and digital. Customer Onboarding Officers (dealer representatives or agents) handle the initial intake via an application, capturing the applicant's biological profile, next of kin data, and targeted smartphone details (such as the specific retail price and hardware IMEI code).

The Lending Company applies real-time identity checks, parsing client metrics against regional mobile networks and government record banks to trace history, screen for default trends, or intercept potential fraud. Back-office administrative personnel cross-examine and audit all uploaded customer details and Electronic Tax Register indicators to ensure applicant’s data accuracy.

Following the signature of the electronic agreement, the Customer Onboarding Officer configures the smartphone by embedding manufacturer-level lock safeguards, pushing the latest firmware updates, and installing the custom Watu app. The Lending Company subsequently remits funds for the full purchase price of the smartphone to the respective dealer.

- **Loans underwriting**

Because the Lending Company’s target audience primarily relies on informal daily wages rather than steady corporate paychecks, the Lending Company excludes standard fixed monthly instalments from its underwriting logic. Forcing rigid schedules on this demographic is viewed as a trigger for portfolio deterioration and borrower distress.

Front-end inputs from dealer representatives are analyzed simultaneously alongside back-end compliance checks. The Back Office team verifies the new customer's personal information, including photo, ID, date of birth, phone number, and next of kin details to ensure accuracy and completeness. The platform checks internal default files to block duplicate exposure, enforces a strict one-loan-at-a-time rule, and ensures the applicant possesses a functional mobile wallet.

Smartphone underwriting utilizes the initial financial deposit (20% to 30% of the device value) as the

primary metric of buyer commitment and risk alignment.

- **Loans issuance and disbursement**

Loan origination relies entirely on an open-source system framework (MIFOS X) heavily enhanced by six in-house, custom software modules. These modules seamlessly manage client configuration, digital mobile payments, collection tracking, and device hardware security.

The Customer Onboarding Process is a multi-step procedure that ensures (1) the new customer's information is properly verified and captured and (2) the loan application is accurately processed.

The process follows a strict chain of events: local phone dealers and their agents handle the initial paperwork and collect the customer's documents. Once collected, a dedicated back-office team at the Lending Company performs necessary checks and has the sole authority to approve the contracts, process the payments, and verify the dealer invoices.

Following the clearing of the applicant's deposit via mobile money, the loan is instantly initialized. The Customer Onboarding Officer completes several technical procedures to prepare the device for use, including the initialization of the Samsung Knox system, the initialization of the firmware update, and the installation of the Watu app. The new loan is then created in the Lending Company's loan servicing system, and the Customer Onboarding Officer registers the device with Samsung Care+ for additional protection.

- **Debt recovery management**

Due to the low individual purchase price of mobile phones and the flexibility afforded to Simu obligors under the PAYG repayment model, recovery ignores costly physical repossessions. Instead, collection practices are more oriented toward customer engagement rather than the standard debt collection practices. The Lending Company's approach to Simu customer engagement features two complementary components: Customer Care and the Simu Engagement Program.

Customers pay variable per-diem rates to repay their loan to the Lending Company over time through the Pay As You Go (PAYG) payment model via mobile money. The customers effectively buy future device usage blocks without incurring any penalty fees for late payments, partial allocations, or exceeding maturity limits.

Early collections use an automated text schedule, featuring an explicit 12-hour warning prompt blasted to the subscriber before an impending device lock. Persistent delinquencies are handed over to the Simu Engagement Program (SEP)—a dedicated outreach call center tasked with checking on clients disconnected for 25 to 175 days to troubleshoot user problems or build custom payment paths.

Accounts that drop entirely out of payment cycles face progressive digital restriction. Through a close partnership with Samsung, Knox Guard is kept active on all financed phones. This system allows the Lending Company to remotely lock or limit the device's operational capabilities, leaving a permanent minimum screen alert displaying the payment directions until a payment is made. If a client remains entirely offline and unpaid for more than 45 days, the remaining asset value is written off.

The primary individual risk affecting portfolio performance is widespread, organized hacking. To actively mitigate this threat, the Lending Company employs a dedicated in-house hacker team tasked with identifying software and hardware vulnerabilities, catching new threats, and engineering fast, effective solutions. Typically, the team can eliminate identified technical loopholes within a 2-to-4-week window.

The Lending Company operates a multi-pronged playbook against fraud:

- Counter Flash Operations: A specialized call center program flags compromised devices, encouraging users to settle balances or return the asset under threat of legal action.
- In-house hacking team: The Lending Company employs a team that is closely monitoring online forums for any new vulnerabilities and works together with Samsung to release updates and tests latest Samsung security updates for further vulnerabilities. This helps to speed up the process of closing any security gaps in the system.
- Asset Risk Investigations team ("ARI): the team further investigates cases identified by the CFC for potential legal action. The ARI team focuses on building cases against fraudulent dealers and hackers (i.e., "flashers").
- Behavioural Diagnostics: The Lending Company monitors system signals via an AI/ML-driven Risk Intelligence platform to analyse behavioural indicators across the loan lifecycle, systematically limiting or terminating partnerships with dealers or Customer Onboarding Officers correlated with high hacking or fraud rates.
- Law Enforcement & System Blacklisting: By partnering with law enforcement and network operators, the Lending Company helps to put together the evidence needed to stop phone crime syndicates and ensures that hacked hardware IMEI numbers are blocked across entire telecom networks, so that altered devices are permanently disabled.

    - **Administrative, management and supervisory bodies**

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

Name	**Position / function (year since)**	**Education and business experience summary**
Mr. Andris Kaneps	Director	Andris graduated from University of Latvia with a master's degree in law. Andris is an avid investor and entrepreneur, focusing on early fintech start-ups. He was a founder of IT technology intensive startups targeting high-frequency and arbitrage trading as well as an online currency exchange platform. He has extensive trading experience in financial markets
Mr. Agris Varpins	Director	Agris graduated from Columbia University in New York with a master's degree in international economic affairs. He has extensive experience in finance management and treasury operations acquired during his work in the Quality Assurance Department at the New York City Government, Transparency International and the Canadian Embassy in Latvia.
Mr. Vijay Gidoomal	Non-Executive Director	Vijay qualified as a lawyer with Clifford Chance in the UK in

		1992. He returned to Kenya in 1993 and was responsible for establishing Car & General operations in Uganda and Tanzania as the Executive Director. He became the Managing Director of Car & General in 1996 and oversaw a complete restructuring of the Company's revenue base, gradually introducing new product lines that included the pioneering of the introduction of three wheelers and two wheelers as taxis in East Africa.
Mr. Sanjiv Gidoomal	Chairman of the Board of Directors; Non-Executive Director	Sanjiv was the Managing Director of Giro Commercial Bank Limited a Commercial Bank licensed by Central Bank of Kenya until February 2017, when he completed the sale of the Bank to I & M Holdings, a Company listed on the Nairobi Stock Exchange with a presence in Kenya, 48 Tanzania, Rwanda and Mauritius. He holds directorships in various companies encompassing real estate, trade, investment services and is the Chairman of Watu Credit Limited, Director of Car & General (Kenya) PLC a company listed on the Nairobi Stock Exchange, Car & General (Tanzania) and Car & General (Uganda).
Mr. Patrick Landi	Independent Non-Executive Director	Patrick has a BSc from University of Bath (UK) in Business Management. Patrick is an expert in Emerging Markets fixed income and equities with more than 10 years of professional experience. He has occupied senior positions at

		several financial institutions in Paris and London: ABN AMRO, Exotix, Fortis, HSBC, US Bancorp (Broadview) and Silk Invest. Currently he is Managing Director of Neomundi Capital, an Italy based corporate finance firm with active investment projects in Europe and Africa.

- **Shareholders**

The share capital of the Lending Company is KES 110,000,000 divided into two classes of shares - 100,000 ordinary shares and 1,000,000 redeemable ordinary B shares, KES 100 each share. The capital is fully paid up.

100% of the Lending Company's issued shares are held by the WATU HOLDINGS LTD, a limited liability company existing under the laws of the Republic of Mauritius, registration number 165853 GBC, registration incorporation date 9th July 2019, having its registered address at C/O Unit 5ABC, 5th Floor, Standard Chartered Tower, 19 Cyber City, Ebene, Mauritius.

8. THE LOANS

- **Legal nature, jurisdiction and the applicable law of the Loans**

All legal relations arising from the Loan Agreements are governed by the laws and regulations of the Republic of Kenya. The Loan under the Loan Agreement is issued with a purpose of purchasing a certain asset, namely the Loan is used towards the purchase price of the mobile device (hereinafter – the Device), and the Lending Company is authorised to transfer the full Device price (consisting of the Loan amount and the down-payment) directly to the seller of the Device.

Under the Loan Agreement, the Borrower repays the loan principal together with any interest and any other applicable payments, fees, or penalties to the Lending Company. The Loan amount together with the interest and any other applicable payments is payable in weekly instalments.

In order to secure the repayment of the Loan, the Lending Company maintains rights over the Device throughout the duration of the Loan Agreement: the Borrower is the beneficial owner of the Device, while full ownership and control of the Device pass to the Borrower only after the total repayment amount and any other applicable payments are paid to the Lending Company in full. The Lending Company's rights over the Device terminate upon full payment of the total repayment amount.

Upon a breach of the Loan Agreement by the Borrower, the Lending Company is entitled to terminate the Loan Agreement and demand immediate payment of the remaining total repayment amount and any other applicable payments, fees, or interest. The Lending Company also reserves the right to initiate legal proceedings to recover outstanding amounts, and/or to repossess and sell or otherwise dispose of the Device (without any court application) with associated recovery costs borne by the Borrower. The Borrower remains liable for the total repayment amount even if the Device is lost, stolen, or damaged out-of-warranty.

The 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 Loan Agreement is drafted in English. The Lending Company has provided a copy of the Loan Agreement for informational purposes at www.mintos.com.

- **Repayment and maturity**

Under the Loan Agreement, the Borrower makes weekly payments of the principal amount of the Loan, interest and any other applicable payments, starting 7 (seven) days after the Device has been provided to the Borrower. Interest is charged at the monthly interest rate specified in the Loan Agreement and calculated on a declining balance basis.

All payments under the Loan Agreement are made using the designated mobile money payment systems (M-PESA or Airtel Money) to the paybill number notified by the Lending Company.

The Borrower may prepay the Loan in whole or in part at any time before the due date. In the case of Simu Loans, early repayment may be made only through the Lending Company's mobile application using mobile money. The Loan Agreement does not provide for an early repayment fee.

If the Borrower fails to repay the Loan and/or interest, fees or any other amount due or owing to the Lending Company, the Borrower may be charged the late payment interest of 0.5% daily on any overdue principal amount of the Loan, but the Lending Company has routinely elected not to charge these fees. If the Borrower fails to pay a weekly instalment or any other applicable payment in time, the

Lending Company may deactivate the Device until such outstanding payment is received or may temporarily re-activate the Device if the Borrower commits to a certain minimum payment.

- **Economic environment in Kenya**

Kenya remains a key economic player in East Africa, with GDP growth projected at around 5.3% in 2026 according to the National Treasury. The economy continues to be driven by services, agriculture, and digital innovation, with ongoing investment in infrastructure and connectivity. Continued monetary policy easing, including successive interest rate cuts, is aimed at encouraging lending and supporting economic momentum.

Agriculture remains a central pillar, providing livelihoods for much of the population and contributing significantly to exports. At the same time, the service sector—especially digital finance and communications—continues to expand, reinforcing Nairobi's reputation as a regional technology and business hub. There is also continued emphasis on value addition and industrial development through national growth strategies.

Inflation remained stable in early 2026, at around 4.4%, and the Central Bank of Kenya reduced its benchmark interest rate to 8.75% in February, marking its tenth consecutive cut since mid-2024. With a steady policy environment and a focus on innovation and investment, Kenya's economic outlook for 2026 reflects confidence in sustained growth and regional leadership.

The information presented in this subsection is taken from the source: World bank, Kenya country overview

- **General description of the Borrowers**

The Lending Company tailors its mobile device financing to individuals who traditionally lack access to standard banking services, aiming to help them enter the digital economy. The customer base predominantly features self-employed, lower-income earners operating within the informal economy, reaching over 1.6 million active users by the end of 2025.

The customers are heavily concentrated among younger groups, with 23% of clients aged 18–24 and the largest segment, 38%, aged 25–34. Only 22% fall between 35–44, and 17% are 45 or older. Borrowers are split by gender with male borrowers at 56%, and a significant female representation of 44%. The vast majority belong to large family settings, with 45% in households of 3–5 individuals, 38% living with 6–9 people, and 11% supporting families of 10 or more. Only 6% live alone or in pairs. Loan geographic distribution spans across three distinct environments, with 47% of originations located in urban centers, 27% in suburban areas, and 26% in rural settings.

The Lending Company partners up with hundreds of specialized mobile retail merchants which perform point-of-sale customer acquisition. Borrowers are evaluated using personal baseline variables rather than traditional credit scores. Approval mandates that individuals have a valid National ID or passport, a government tax registration certificate, an active mobile money wallet, and an initial down payment.

- **Loan portfolio data**

As of 30 June 2026, the Lending Company's total portfolio of gross receivables stood at EUR 143.3 million (1 EUR = 147.5100 KES, Central Bank of Kenya). Tables of the cross-section of the Lending Company's portfolio in terms of Days Past Due (DPD), and Loan-to-Value (LTV) distribution at the moment of issuance are reflected below.

Phone Loans portfolio breakdown by DPD

Days Past Due	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2
Current %	7.4%	9.3%	5.8%	6.2%	5.4%	4.5%	4.6%
1-30 days %	44.1%	40.1%	40.4%	36.4%	37.1%	32.7%	28.5%
31-60 days %	16.3%	15.3%	18.7%	16.9%	16.6%	17.1%	16.4%
61-90 days %	9.2%	10.5%	9.8%	11.0%	10.3%	12.4%	11.7%
91-180 days %	13.6%	15.0%	14.8%	17.2%	17.1%	19.1%	21.9%
>180 days %	9.3%	9.7%	10.6%	12.3%	13.5%	14.1%	16.9%

9. 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 Loan.

Borrower's Payments: any payments made by the Borrowers (or by the Lending Company on behalf of the Borrower in respect of certain interest payments, as it is stipulated in the Base Prospectus) under the Series Specific Loans.

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 repurchase the relevant Loan Receivables from the Issuer, provided that the Buyback Obligation is stated as being applicable in the Final Terms.

Collateral: the pledge rights of the Lending Company over the legally permissible means of securing the fulfilment of the Borrower's obligations under the Series Specific Loan as specified in the Final Terms (if any). The Loan Receivables can be without Collateral. The contractual penalty, Late Payment Interest and other ancillary claims arising from the Loan Agreement, shall not be considered as Collateral. The Collateral is left with the Lending Company and is not being transferred to the Issuer.

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

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.

Interest: the interest under the Notes or the Series Specific Loans.

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.11, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 50203392201 on 07.04.2022, has its registered office at Skanstes street 52, Riga, LV-1013, Latvia, a special purpose entity whose principal purpose is the issue of Notes

Issuer's Account: 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) and the Investors

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: WATU CREDIT LIMITED, a limited liability company existing under the laws of the Republic of Kenya, registration number CPR/2013/118599, registration incorporation date 11.10. 2013, having its registered address at Hill Park Building, Lower Hill Road, Upper Hill - Nairobi, P.O Box 15138-00100, Nairobi, Kenya.

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 Lending Company under the Series Specific Loans which

have been assigned to the Issuer, being 90% 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 01.06.2015, 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 (which such payments don't qualify as those which the Lending Company retains until a later event) 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.

Pending Payments Penalty Fee: the fee on any amounts due to the Issuer from the Lending Company under any of the Transaction Documents at the interest rate specified in the Final Terms (if any).

Pledge Agreement: the pledge agreement by and between the Lending Company as the pledgor and the Issuer as the pledgee over certain assets as described in this Base Prospectus.

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

Priority of Payments: the priority of payments set out in Condition 7.

Purchase Agreement: part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the Lending Company 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 – 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 Lending Company and 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.

Transaction Documents: the Cooperation Agreement, the Transfer Document, and the Pledge Agreement (if any).

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

Watu Group: WATU HOLDINGS LTD, a limited liability company existing under the laws of the Republic of Mauritius, registration number 165853 GBC, registration incorporation date 9th July 2019, having its registered address at C/O Unit 5ABC, 5th Floor, Standard Chartered Tower, 19 Cyber City, Ebene, Mauritius, and any of its subsidiaries (including the Lending Company).

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 in the Watu 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 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 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, nomineeship 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) *eighth,* 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

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.

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.

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 (or by the Lending Company on behalf of the Borrower in respect of certain Interest payments, if it is stipulated in the Cooperation Agreement) which have been received from the Lending Company and any amounts paid by the Borrowers that the Lending Company is allowed to retain until the final maturity of the Loan Receivable;

(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

If, following any Payment Event, the Lending Company delays any payments due to the Issuer under any of the Transaction Documents by more than 10 days, the Lending Company will pay to the Issuer the Pending Payments Penalty Fee.

11.4 Loan extension

The Lending Company may modify any of the Series Specific Loans without approval of the Issuer 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 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 or the Noteholders provided that (a) there is no event of default under any of 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 Lending Company may also extend the repayment schedule of one or more 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 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 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.

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:

(a) Mintos concludes following notification in writing from the Lending Company to the Issuer and Mintos and by API that the Lending Company has determined in good faith that there is no realistic prospect of collecting any further funds in accordance with its loan management and collection policies from the Series Specific Loans which are not subject to the Buyback Obligation nor Repurchase; or

(b) the Issuer and Mintos determines in good faith that there is no realistic prospect of collecting any further funds from the Lending Company if the Series Specific Loans are subject to the Buyback Obligation and/or Repurchase but the Issuer has 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 Noteholders;

(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 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 Watu 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 in respect of the Issuer 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 will take every reasonable measure to recover the amounts outstanding under the Notes in accordance with the Transaction Documents if

(i) the Lending Company fails to make any payment due in respect of the Loan Receivables, or

(ii) any insolvency, restructuring, administration or enforcement proceeding is commenced or threatened in respect of the Lending Company, or

(iii) any other event which is deemed to be a material event of default under the Transaction Documents occurs,

Mintos will act in good faith to maximise recovery for the benefit of the Noteholders. The Noteholders shall hold Mintos harmless for any loss incurred by the Noteholders for measures taken as permitted by this paragraph 17.5, other than loss arising from gross negligence or wilful misconduct by Mintos.

Such recovery measures may include, without requiring a Noteholders Meeting or the consent of the Noteholders, but are not limited to the following:

(a) agreeing on payment extensions and revised repayment schedules in general, forbearance arrangements, payment deferrals or covenant waivers with the Lending Company in respect to the Loan Receivables or any claim against the Lending Company [and/or the Guarantor] arising in connection with Transaction Documents;

(b) participating in, voting in, filing claims in or otherwise engaging with any insolvency, restructuring, administration or creditor committee proceedings in respect of the Lending Company;

(c) pursuing the recoveries of the Loan Receivables, selling the Loan Receivables, and/or enforcing or refraining from enforcing any security interest, guarantee or other credit support held in connection with the Loan Receivables through the servicer or otherwise; and

(d) amending the terms of the Transaction Documents or restructuring them entirely, including novation.

Any such measures shall be applied equally to all Noteholders of the relevant Series and may be applied across all Series of Notes subject to the same Prospectus. Noteholders shall be notified as soon as reasonably practicable in accordance with Condition 20.

17.6 Mintos may seek compensation for reasonable costs, including costs attributable to its in-house staff and resources engaged in recovery, restructuring or enforcement activities, up

to the recovered amount. Mintos will notify Noteholders of any anticipated costs prior to requesting compensation.

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.

Where a Noteholder holds Notes through Mintos' portfolio management services, voting in respect of those Notes may be exercised by Mintos in accordance with the Terms and Conditions of Portfolio Management of the respective Portfolio and Terms and Conditions of Mintos Investment Platform, to extent those apply, and the Issuer is entitled to rely on any vote so cast or any abstention by Mintos in that capacity.

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, save where the Issuer reasonably determines that circumstances do not permit such notice period, in which case the Notice will be given as soon as reasonably practicable, which in any case shall not be less than 2 days.

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. Mintos shall retain the minutes, voting records and ballots for at least 5 years after the relevant Noteholders Meeting. Any Noteholder may request a copy of

the minutes, subject to confidentiality, data protection and operational limitations.

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 Latvijas Banka 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
50 Skanstes Street, Riga, LV-1013, Latvia
For the attention of SIA Mintos Finance No.11

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

The Issuer may, without the consent of the Noteholders, amend or supplement these Terms and Conditions by publishing the amended Terms and Conditions on the Platform, provided that such amendment:

(a) is required to comply with any applicable law or regulation;

(b) is of a formal, minor or technical nature;

(c) is made to correct a manifest error; or

(d) is not, in the reasonable opinion of the Issuer, materially harming the interests of the Noteholders.

The Issuer shall notify Noteholders of any amendment pursuant to this Condition 24 not less than [30] calendar days prior to such amendment taking effect, except where the amendment is required to comply with applicable law, in which case such shorter notice as is reasonably practicable shall apply.

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, 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 be held by the Noteholder fully operational with Mintos while the Noteholder holds any Notes.

10. 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

The 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 individual Noteholders

Resident individuals

An individual will be considered 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 for 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.

Following the Latvian tax laws the interest income received by the individual tax resident in Latvia is subject to tax at the rate of 25.5%. The interest income from the Notes for resident individuals will be subject to 25.5% 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 Latvian personal income tax purposes and will be subject to 25.5% personal income tax and the tax is payable by the individual him/herself.

Non-resident individuals

An individual would be considered 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 the EU/EEA. For other individual investors and those who have not confirmed tax residence and not investing as a private person 25.5% 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 legal entity Noteholders

Resident legal entities

A legal entity would be considered a resident of Latvia for tax purposes, if established pursuant to 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 the net amount of profit distribution is determined by dividing the net amount with a coefficient of 0.8 (i.e., the effective tax rate on net distributed profit is 25%).

Non-resident legal entities

A legal entity would be considered 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, Russian Federation, Republic of Fiji, Republic of Palau, Republic of Panama, Independent State of Samoa, Republic of Trinidad and Tobago, Republic of Vanuatu. The list of mentioned countries and territories may be amended from time to time.

11. 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.

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

SIA Mintos Finance No. 11 (the "Issuer")

(incorporated as a limited liability company and registered in the Republic of Latvia with registration number: 50203392201
LEI: *984500AF37C43BDDAB91*

Series [...] EUR [...] Notes
[initially] relating to the Loans with the reference numbers:
[...]
issued by WATU CREDIT LIMITED (the Lending Company)

Terms used herein will be deemed to be as defined in the Base Prospectus dated 29.10.2026 for the purposes of 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/***]. 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. The 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 (1.2.20.) 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 (1.2.20.) and subject to the actual receipt by the Issuer of the relevant payment in relation to the Loan from the Lending Company] or [Not later than on Maturity date (1.1.9) 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:	[...]
1.1.16.	Pending Payments Penalty Fee:	[...]%

1.2. Information relating to the Series Specific Loans*

Information relevant to the pool of Series Specific Loans

Number	Disclosure requirement	Details
1.2.1.	Loan type:	[...]
1.2.2.	Loan disbursement currency:	[...]
1.2.3.	Total outstanding principal amount of Series Specific Loans [initially] 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
1.2.11.	Skin in the game retained by the Lending Company (%):	Lending Company retains the skin in the game in the amount of [...]% from the Loan outstanding principal amount.

**Rights to substitute the assets (Loans) apply.*

Information on the Series Specific Loans

1.2.12. Loan ID	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.13. Outstanding principal amount	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.14. Final Repayment Date*	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.15. Initial Loan-to-Value (LTV) (%)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.16. Current Loan-to-Value (LTV) (%)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.17. Borrower's details	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.18. Collateral provided by the Borrower to the Lending Company	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]

1.2.19. Collateral description	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]

*Unless the early Loan repayment and/or the Loan term extension takes place. For more information, please see Section 10 “Terms and Conditions of the Notes” in the Base Prospectus.

1.2.20. 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. above has been sourced from the Section 7 (the “Lending Company”). 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, 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 Section 11. Condition 25. “LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE NOTEHOLDER” in the Base Prospectus applies.

This Notes Series issue is authorised by [...] of the Issuer, Minutes No. [...] as of [...] [...] 202[...]