

## FIRST SUPPLEMENT TO THE BASE PROSPECTUS

Dated 7 November 2022

This first supplement (Supplement) is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 17.05.2022 in respect to EUR 30 000 000 (thirty million euro) Note Programme (Base Prospectus) and constitutes a supplement for the purposes of Article 23 of Regulation (EU) No. 2017/1129 (Prospectus Regulation).

**Issuer:** SIA Mintos Finance No.1, incorporated as a limited liability company and registered in the Republic of Latvia with the registration number 40203387618.

**Lending Company:** Mogo IFN S.A., a joint stock company existing under the laws of the Republic of Romania, Trade Registry number J40/5043/2016, sole registration code 35917970, having its registered address at 51 Calea Mosilor Street, second floor, District 3, Bucharest, Romania.

Base Prospectus approved by the shareholder of the Issuer on 17.05.2022.

Base Prospectus approved by Financial and Capital Market Commission (FCMC) on 24.05.2022.

### GENERAL INFORMATION

Terms specified in capital letters, yet not explained herein are explained in the Base Prospectus.

This Supplement has been approved by the FCMC as competent authority in the Republic of Latvia under the Prospectus Regulation. FCMC only approves this Supplement, as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of the Base Prospectus (as supplemented by this Supplement). To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to amend the Base Prospectus by adding description of the Lending Company's new product and its related information in sections '8. *THE LENDING COMPANY*' and '10. *THE BORROWER'S LOANS*', as well as updating information on Mintos in section '1. *GENERAL DESCRIPTION*' and updating the SPV's, the Lending Company's and the Guarantor's latest financial information in sections '7. *THE SPV (LENDER)*', '8. *THE LENDING COMPANY*' and '11. *THE GUARANTOR*' accordingly.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements referred to in (a) shall prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted since the publication of the Base Prospectus.

## AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in the Base Prospectus shall be amended and/or supplemented in the manner described below:

- 1) On page 7 of the Base Prospectus in section '1. GENERAL DESCRIPTION' entire sub-section 'What is Mintos?' is replaced with the new wording:

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

At the end of September 2022, Mintos has over 480,000 registered users, and Mintos is working with more than 64 lending companies from 31 countries, offering investment opportunities in 6 currencies.

Since Mintos was founded, investors through the Platform have invested more than EUR 8 billion. Mintos is authorized as an investment firm by the FCMC. See the section entitled '6. Mintos' of this Base Prospectus for more information.

- 2) On page 45 of the Base Prospectus in section '7. THE SPV (LENDER)' sub-section 'Financial information' must be replaced with updated information:

The latest available financial information of the SPV is available on Mintos website:

[Financial statements 2020 \(not audited\)](#)

[Financial statements 2021 \(not audited\)](#)

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

- 3) In section '8. THE LENDING COMPANY' of the Base Prospectus:
  - 3.1. on page 46 sub-section's 'Borrowers' Loans' first para and second para shall be modified as follows, whereby added text is printed in **blue and underlined** and deleted text is printed in **red and strikethrough**:

Main products of the Lending Company are financial leasing, [leaseback and car loans](#). ~~For financial leasing where~~ the services of the Lending Company are used by customers to acquire the vehicles and leaseback financing, where the customer uses his/her own vehicle as a security to obtain financing and loans with pledge. One of the key competitive advantages offered by the Lending Company is the ability to underwrite, score, and evaluate the underlying security (the vehicle) and complete the financing and title change process in a very timely manner. [For car loans the Lending Company is providing a loan to customers for vehicle acquisition, however the funds are transferred directly to the seller of a vehicle, and no pledge of the vehicle is registered.](#) The target borrower for The Lending Company is a private individual.

The unique feature for the Borrowers is the Lending Company's ability to issue loans fast with the help of their all-automated issuance process, which results in the majority of the Loans issued under 3 days. The average loan amount for a vehicle leasing ~~Loan~~ [and car loan](#) is RON 24 200 and it ranges from RON 5 600 to RON 66 600. The average term of leasing and leaseback products is 58 months, and their term range is 6 - 60 months. The Loan currency is Romanian lei.

- 3.2. On page 46 sub-section's '*Financial information*' third para is replaced with the information of audited financials for 2021:

Audited financials 2021 The currency used in audited financial reports is EUR, EUR/RON 4.9481 for balance sheet accounts translation to EUR as of 31.12.2021, the average EUR/RON for Profit and Loss statement accounts translation to EUR is 4.9205.

- 3.3. On page 46 sub-section '*Auditors*' shall be modified as follows, whereby added text is printed in **blue and underlined**:

The auditors of the Lending Company for the financial year ended 31 December 2020 and 31 December 2021 is KPMG AUDIT SRL, incorporated under laws of Romania with its registered office at Sos. Bucuresti-Ploiesti, nr. 69-71, Parter, cam. Nr. 02, Sector 1, Bucuresti and registered with the Trade Registry under number J40/4439/2000. KPMG AUDIT SRL is a member of the Chamber of Financial Auditors of Romania.

- 3.4. On page 47 sub-section '*Loans issuance process*' shall be modified as follows, whereby added text is printed in **blue and underlined** and deleted text is printed in **red and strikethrough**:

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

- 3.5. On page 47 sub-section's '*Loans underwriting*' second sentence of second para shall be modified as follows, whereby added text is printed in **blue and underlined**:

During the Borrowers' Loan application processing, the preliminary data in each application are cross-checked and supplemented. If needed, the potential Borrower is asked for further information, preliminary fraud and blacklists checks are performed and, in the case of secured loans (financial leasing and leaseback), vehicles are automatically valued.

- 3.6. On page 47 sub-section '*Loans issuance and disbursement*' shall be modified as follows, whereby added text is printed in **blue and underlined**:

The Loan documentation is signed physically at the Lending Company branches or remotely, using certified e-signature. The Borrowers' Loan disbursement process depends on the product. In the case of leaseback products, the Lending Company uses bank transfers that are usually performed manually and authorised by a second person. For financial leasing products, after the Borrower has made a down-payment, the Lending Company makes a bank payment directly to the seller of the vehicle. For the pledged product no down payment is needed, the Lending Company makes a bank transfer directly to the Borrowers' account in the bank. Also, for the car loan product no down payment is needed, the Lending Company makes a bank transfer directly to the seller of the vehicle.

- 3.7. On page 47 sub-section's '*Debt recovery management*' first para shall be modified as follows, whereby added text is printed in **blue and underlined**:

# mintos

Eleving Group has established an efficient and effective debt collection process in each country where it operates. Eleving Group has a dedicated team in each country and follows debt collection practices that are fully compliant with local regulations. Eleving Group's strategy is focused on maximising the dialogue with customers. When the Lending Company assesses that a customer can repay its Loan, it offers various options and tailors the offers to such customers. When the Lending Company assesses that the customer will not be able to continue a successful relationship, in case of secured loan product a quick and efficient repossession of the collateral and subsequent sale of it is strived while maintaining full transparency with the borrower about the process. In case of unsecured product after loan agreement termination there are 2 options - debt sale in monthly forward flow under the same price (Lending Company has agreement with external party for debt sale) or wait for the 3 months and after going in enforcement.

After termination the law states that the Lending Company needs to wait 90 days till start the legal recovery process and send a file to the bailiff. After the file is sent to bailiff the Lending Company have the court approval stage that can take between 30-45 days, If the response is positive and the court approved the legal enforcement process then the bailiff can issue the garnering letter to the local banks and in another 30-45 days the Lending Company can start receiving the 1st garnered recoveries.

In parallel with the garnering letters the bailiffs also proceed to identify debtor assets - car, apartments, lands, etc. - if there are some assets, in another 30-45 days bailiff will proceed in appointing an evaluator to evaluate the assets. After the evaluation of assets is performed in another 30-45 days the 1st auction can be scheduled.

- 3.8. On page 48 sub-section's '*Debt recovery management*' third and fourth sub-paragraph shall be modified as follows, whereby added text is printed in **blue and underlined**:

3) The overdue loan is terminated before the overdue reaches 50 days if the applied debt collection strategy is not efficient. After agreement termination, the customer is still offered to renew the terminated agreement and settle the delayed amount. Another option is to voluntarily return the vehicle (in case of secured loan). When this approach is not successful, the Lending Company's in-house car repossession experts work with customers to recover the collateral. For unsecured loans case - there is no car sale, and the process goes to sub-paragraph 4 - where the outstanding debt is either sold to external parties or using the Lending Company debt collection process.

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

- 4) In section '*10. THE BORROWERS' LOANS*' of the Base Prospectus:

- 4.1. On page 52 first para of sub-section's '*Legal nature, jurisdiction and the applicable law of the Loans*' shall be modified as follows, whereby added text is printed in **blue and underlined**:

The Borrowers' Loans are financial leasing, leaseback financing and loan with pledge products, and car loan without pledge made under the Borrowers' Loan Agreements. The principal amount and interest are payable in equal monthly amounts during the term to repay the Loan in full at maturity.

- 4.2. On page 52 sub-section's '*Repayment and maturity*' first para shall be modified as follows, whereby added text is printed in **blue and underlined** and deleted text is printed in **red and strikethrough**:

Under the Borrower's Loan, the Borrower makes monthly payments of principal and interest on a pre-agreed schedule. The annual percentage rate (APR) ranges from 25% to 75%. The term ranges from 6 months to 60 months with the average term being 57.8 months.

4.3. On page 53 sub-section 'Loan portfolio data' is replaced entirely with the latest information:

As of 30 September 2022, the Lending Company's total portfolio of gross receivables was EUR 32.8m. Below is the cross-section of the Lending Company's vehicle leasing portfolio in terms of Days Past Due (DPD), respectively, and Loan-to-Value (LTV) for vehicle leasing products.

#### *Vehicle leasing loans portfolio breakdown by DPD*

The current part of the vehicle leasing and leaseback total gross portfolio has remained above 60% for the previous seven consecutive quarters, and the part of the portfolio that is overdue for longer than 60 days has been consistently under 25%.

Days Past Due	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3
Current %	59.83%	61.67%	63.68%	69.89%	68.91%	67.98%	69.81%
1-30 days %	16.04%	14.17%	13.55%	14.61%	15.35%	14.58%	13.43%
31-60 days %	5.21%	4.52%	3.95%	3.25%	3.97%	4.90%	4.28%
61-90 days %	1.36%	2.28%	1.56%	1.76%	1.36%	2.00%	1.97%
91-180 days %	1.92%	2.91%	2.81%	2.53%	1.37%	1.45%	1.97%
>180 days %	15.64%	14.45%	14.44%	7.96%	9.04%	9.09%	8.55%

#### *Vehicle leasing loans issuance breakdown by LTV*

In terms of LTV ratios, the vast majority of the Lending Company's vehicle leasing loans fall above 80% loans to value ratio, and the ratios have been consistently maintained for the past 7 quarters.

LTV	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3
<20%	0.40%	1.00%	1.10%	1.00%	0.45%	0.48%	0.49%
20-50%	5.10%	6.50%	6.40%	9.70%	5.62%	5.76%	6.00%

50-70%	8.40%	11.10%	11.00%	8.50%	11.76%	11.61%	11.37%
70-80%	14.90%	12.30%	9.40%	11.00%	19.54%	18.63%	17.68%
>80%	71.20%	69.00%	72.10%	69.70%	62.62%	63.51%	64.46%

- 5) On page 58 of the Base Prospectus in sub-section '*Key financial information regarding the Guarantor*' of section '*11. THE GUARANTOR*' link to the latest Guarantor's financial information and the audit report (year 2021) is added:

[Audited Guarantor financials 2021](#)

## RIGHTS OF WITHDRAWAL

Pursuant to Article 23 (2) of the Prospectus Regulation, Investors who have already accepted to purchase or subscribe for any Notes to be issued under the Programme before this Supplement is published, shall have the right to withdraw their acceptances, provided that the new factor, material mistake or material inaccuracy was prior to the final closing of the public offer and delivery of the Notes. Taking into account all the Notes are delivered to the Investors immediately upon acceptance of their order to buy Notes on the Platform, rights of withdrawal do not apply to the Investors.

## RESPONSIBILITY

Section 'AMENDMENTS TO THE BASE PROSPECTUS' (except information (i) about Mintos in section '1. GENERAL DESCRIPTION' sub-section '*What is Mintos?*' and (ii) SPV's financial information in section '7. THE SPV (LENDER)') of this Supplement is prepared according to the information provided by the Lending Company. As prescribed in the Base Prospectus section '3. GENERAL INFORMATION' the Lending Company accepts responsibility for the information contained in the certain sections of Base Prospectus, including but not limited to the section '8. THE LENDING COMPANY'.

The Issuer, considering information in the sub-section 'Responsibility for this Base Prospectus' of the section '3. GENERAL INFORMATION' of the Base Prospectus, accepts responsibility for the information contained in this Supplement and declares that, to the best of its knowledge, the information contained in this Supplement is in accordance with the facts.