

Prospectus dated 26 January 2021



AS “mogo”

incorporated as a joint stock company and registered in the Republic of Latvia with registration number Reg. No: 50103541751

LEI: 213800DOKX626GYVOI32

Latvia

Public Offering, Listing and Admission to Trading Prospectus

EUR 30,000,000.00

11% Bonds 2024 (the “Bonds”)

with a Term from 2021 until 2024

of 1 March 2021

International Securities Identification Number (ISIN): LV0000802452

AS “mogo” (the “**Issuer**”), a joint stock company (*Akciju Sabiedrība*) incorporated and existing under the laws of the Republic of Latvia has issued 11% unsecured bonds due 31 March 2024 for an aggregate principal amount of EUR 30,000,000.00 (the “**Bonds**”) as from 1 March 2021 (the “**Issue Date**”).

The Bonds constitute direct, general, unconditional and unsecured obligations of the Issuer. The Bonds will at all times rank *pari passu* in right of payment with all other present and future unsecured obligations of the Issuer. The Bonds are unconditionally and irrevocably guaranteed by the Issuer’s indirect shareholder under Section “*Information about the Issuer, the Guarantor and the Group*” (the “**Guarantor**”) under the terms and conditions set forth herein (the “**Guarantee**”).

This document (the “**Prospectus**”) constitutes a prospectus pursuant to Article 6 para. 1 of the 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 (the “**Prospectus Regulation**”), in order for the Bonds to be admitted to trading on AS Nasdaq Riga, registration number: 40003167049, legal address: Valņu 1, Riga, LV- 1050, (the “**Nasdaq Riga**”), Baltic Bond List regulated market.

This Prospectus has been registered with and approved as a prospectus by the Financial and Capital Market Commission of Latvia (In Latvian - *Finanšu un kapitāla tirgus komisija*) (the —“**FCMC**”) in its capacity as the competent authority in Latvia for the purposes of 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 (the — “**Prospectus Regulation**”), in accordance with the requirements of the Financial Instruments Market Law of the Republic of Latvia, as amended (the — “**Latvian Financial Instruments Market Law**”), and Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the —“**Delegated Regulation**”). The FCMC has approved this Prospectus, but it is not liable for the correctness of the information presented therein. Issuer has requested that the FCMC notifies this Prospectus to the competent authority in Lithuania (the Bank of Lithuania (In Lithuanian - Lietuvos Bankas) (the — “**Bank of Lithuania**”) and to the competent authority in Estonia (Estonian Financial Supervision and Resolution Authority (in Estonian - Finantsinspeksioon) (“**EFSA**”), provide it with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation. Such approval should not be considered

as an endorsement of the Issuer, the Guarantor or the Bonds. Each potential investor should make their own assessment as to the suitability of investing in the Bonds.

Application will be made to the Nasdaq Riga for admitting Bonds to listing and trading on the official bond list ("**Baltic Bond List**") of Nasdaq Riga according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the Bonds. Trading of the Bonds on the Baltic Bond List of the Nasdaq Riga Stock Exchange is expected to commence within 1 (one) month after the above-mentioned application has been made. All dealings in the Bonds prior to the commencement of unconditional dealings on the Baltic Bond List of the Nasdaq Riga Stock Exchange may be in the form of private over-the-counter transactions and will be at the sole risk of the parties concerned. Nasdaq Riga Stock Exchange is a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time ("**MiFID II**"). Unless the context requires otherwise, references in this Prospectus to Bonds being "listed" (and all related references) shall mean that such Bonds have been listed and admitted to trading on the Baltic Bond List of the Nasdaq Riga Stock Exchange.

This Prospectus shall be valid for admission to trading of the Bonds on a Baltic Bonds List regulated market for 12 months after the approval by the FCMC, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including incorporated by reference) in this Prospectus which may affect the assessment of the Bonds. After such date, the Prospectus will expire and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

Investors should be aware, that an investment in the Bonds involves a risk and that, if certain risks, in particular those described under "*Risk Factors*", occur, the investors may lose all or a very substantial part of their investment.

The distribution of this Prospectus may be limited by certain legislation. Any person who enters into possession of this Prospectus must take these limitations into consideration. The Bonds are not and will not be registered, particularly in accordance with the United States Securities Act of 1933, as amended (the "**Securities Act**") or in accordance with securities law of individual states of the United States of America. Furthermore, they are not permitted to be offered or sold within the United States of America, or for the account or benefit of a person from the United States of America (as defined under Regulation S under the Securities Act), unless this ensues through an exemption of the registration requirements of the Securities Act or the laws of individual states of the United States of America or through a transaction, which is not subject to the aforementioned provisions.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The offering of Bonds is structured as a public offering as per Regulation (EU) 2017/1129. Bonds are offered as (i) a public offering to the qualified investors as defined in Prospectus Regulation and/or other types of investors as defined by the national securities legislation of each relevant country where the Bonds are being offered without requirement to publish the prospectus (the "**Institutional Investors**") and any other than the Institutional Investors (the "**Retail Investors**") in the Republic of Latvia, in the Republic of Lithuania and in the Republic of Estonia, and (ii) private placement (offering) to Institutional Investors and Retail Investors (both together "**Investors**") in certain Member States of the EEA in each case pursuant to an exemption under Article 1 of the Regulation (EU) 2017/1129.

Table of Contents

I. SUMMARY OF THE PROSPECTUS.....	7
Section 1 - Introduction and Warnings	7
Section 2 – the Issuer	7
Section 3 – The securities.....	10
Section 4 – Offering and admission to trading.....	14
II. LATVIAN TRANSLATION OF THE SUMMARY (PROSPEKTA KOPSAVILKUMA TULKOJUMS LATVIEŠU VALODĀ)	16
1. iedaļa - Ievads un brīdinājumi	16
2. iedaļa - Emitents	16
3. iedaļa – Vērtspapīri	19
4. iedaļa - Piedāvāšana un iekļaušana tirdzniecībā.....	24
III. LITHUANIAN TRANSLATION OF THE SUMMARY (BENDROJI INFORMACIJA APIE VERTYBINIŲ POPIERIŲ PROSPEKTĄ)	25
1 skyrius – Preambulė ir Įspėjimai.....	25
2 skyrius - Emitentas.....	25
3 skyrius – Vertybiniai popieriai.....	28
4 skyrius – Pasiūlymas ir įtraukimas į kotiruojamų skolos vertybinių popierių sąrašą	32
IV. ESTONIAN TRANSLATION OF THE SUMMARY (PROSPEKTI KOKKUVÕTE)	33
1. jagu - sissejuhatus ja hoiatused	33
2. jagu - Emitent.....	33
3. jagu - Väärtpaberid	36
4. jagu - Pakkumine ja kauplemisele lubamine.....	40
V. RISK FACTORS	41
1. RISK FACTORS RELATING TO THE ISSUER, THE GUARANTOR (THE GROUP) AND OUR BUSINESS	41
a. Risk relating to the Group’s business activities and industry	41
b. Risks related to the Group’s and/or Issuer’s financial situation.....	50
c. Legal and regulatory risk	52
d. Internal control risk.....	55
2. RISK FACTORS RELATING TO THE BONDS, THE GUARANTEE.....	55
a. Risks related to the nature of the Bonds	55
b. Risks related to the Guarantee.....	59
VI. GENERAL INFORMATION.....	61
Persons Responsible	61
Authorisation.....	61
Subject of this Prospectus.....	61
References	62
Hyperlinks.....	62
Forward-looking Statements	62
Third Party Information	63
Presentation of Financial Information.....	63
Further information regarding this Prospectus	64
MiFID II Product Governance.....	64
Documents available for Inspection	64
Advisors involved in the Bonds issue.....	65
The external audit of the information included in the securities description	65
Statements or reports included in the securities description.....	65
Credit ratings	65

Description of the expected financing of the Issuer's activities	66
VII. USE OF NET PROCEEDS	67
VIII. CAPITALIZATION	68
IX. SELECTED FINANCIAL INFORMATION AND OPERATING DATA OF THE ISSUER	70
1. Selected consolidated statement of comprehensive income data of the Issuer	70
2. Selected consolidated statement of financial position data of the Issuer ...	71
3. Selected consolidated statement of cash flows data of the Issuer	74
4. Net debt of the Issuer	77
5. Key financial ratios of the Issuer.....	78
6. Other financial data (EBITDA) of the Issuer.....	79
7. Key performance indicators of the Issuer	80
X. SELECTED FINANCIAL INFORMATION AND OPERATING DATA OF THE	82
GUARANTOR.....	82
1. Selected consolidated statement of comprehensive income data of the Guarantor	82
2. Selected consolidated statement of financial position data of the Guarantor	84
3. Selected consolidated statement of cash flows data of the Guarantor	87
4. Net debt of the Guarantor	90
5. Key financial ratios of the Guarantor	91
6. Other financial data (EBITDA) of the Guarantor	92
XI. AUDITORS	93
XII. CHANGES IN THE FINANCIAL POSITION OR FINANCIAL PERFORMANCE	94
XIII. SELECTED PORTFOLIO INFORMATION OF THE ISSUER	95
1. Loan portfolio and rental fleet	95
2. Loan portfolio	95
3. Total loan portfolio by loan balance	95
4. Total loan portfolio by duration for which the repayment of loans are delayed	96
5. Sale of repossessed car from agreement termination date.....	96
6. Classification of our loan portfolio.....	96
7. Performing loan portfolio by product.....	97
8. Non-performing loan portfolio by product.....	97
9. Allowance for loan losses	97
XIV. BUSINESS.....	99
1. Overview	99
2. Strategy.....	100
3. Key Strengths	100
4. Products.....	103
a. <i>Long term rent</i>	103
b. <i>Financial Leasing</i>	103
c. <i>Leaseback</i>	104
d. <i>Instalment Loans</i>	104
5. Geographic Markets	104
XV. PHYSICAL FOOTPRINT.....	105
XVI. MARKETING	106
1. Marketing organization and development.....	106
2. Potential customers.....	106
3. Below The Line (BTL) Marketing channels	107

a.	<i>Search Engine Marketing</i>	107
b.	<i>Paid Social media ads</i>	107
c.	<i>Display ads</i>	107
d.	<i>E-mail and SMS marketing</i>	107
4.	Above The Line (ATL) Marketing channels.....	107
XVII.	UNDERWRITING AND REVIEW	108
1.	Overview of the underwriting and review process.....	108
2.	Loan application processing	108
3.	Risk evaluation and Scoring	109
4.	Vehicle inspection	109
5.	Final approval and loan or rent issuance	109
XVIII.	PORTFOLIO MANAGEMENT	110
XIX.	INFORMATION TECHNOLOGY	113
XX.	CREDIT AND RISK MANAGEMENT	115
XXI.	COMPETITION	117
XXII.	REGULATORY FRAMEWORK	118
XXIII.	INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GROUP	119
1.	General Information about the Issuer	119
2.	General Information about the Guarantor	121
3.	Beneficial ownership of the Group.....	124
1)	Legal Structure chart.....	124
2)	Properties of the Group	125
3)	Employees	125
4)	Social policy and employee benefits.....	125
5)	Material Agreements	126
4.1.	<i>Material Agreements for the Issuer</i>	126
	<i>The following section provides a summary of material agreements to which the Issuer is a party.</i>	126
a.	<i>Notes due 31 March 2021</i>	126
b.	<i>Mintos</i>	126
c.	<i>AS "Citadele banka"</i>	128
4.2.	<i>Material Agreements for the Guarantor</i>	128
6)	Related Party Transactions	129
a.	<i>Loans with Related Parties</i>	129
7)	Legal Proceedings	130
8)	Credit Rating	130
XXIV.	MANAGEMENT OF THE ISSUER	132
1.	Management Board.....	132
2.	Supervisory Board.....	132
3.	Audit Committee.....	133
4.	Interest of management board and officers	134
5.	Litigation statement about directors and officers.....	134
6.	Change of Control over the Issuer.....	134
XXV.	MANAGEMENT OF THE GUARANTOR	135
1.	Management Board.....	135
2.	Audit Committee.....	137
3.	Litigation statement about directors and officers.....	137
4.	Change of Control over the Group or the Guarantor.....	137

XXVI.	TERMS AND CONDITIONS OF THE BONDS	138
1.	Principal amount and issuance of the Bonds	138
2.	Form of the Bonds and ISIN	138
3.	Status and Security	139
4.	Guarantee	139
5.	Interest	139
6.	Maturity, Early Redemption and Principal Payment.....	140
7.	Default Interest.....	141
8.	Taxation	141
9.	Admission to trading.....	141
10.	Representation and warranties of the Issuer	141
11.	Undertakings	142
12.	Financial Covenants.....	143
13.	Event of Default.....	144
14.	Procedure for applying for the waiver	144
15.	Representation of the Holders	146
16.	Disclosure of information	146
17.	Force Majeure	146
18.	Notices	146
19.	Purchase and exchange of the Bonds	146
20.	Availability of the Terms and Conditions.....	149
21.	Governing Law and dispute resolution	149
XXVII.	TAXATION	150
1.	Taxation Republic of Latvia	150
2.	Taxation Republic of Estonia.....	151
3.	Taxation Republic of Lithuania	152
XXVIII.	LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEE AND THE BONDS AND CERTAIN INSOLVENCY CONSIDERATIONS	154
XXIX.	GUARANTEE	159

I. SUMMARY OF THE PROSPECTUS

Section 1 - Introduction and Warnings

Introduction

The securities

11% unsecured bonds due 31 March 2024 for an aggregate principal amount of EUR 30,000,000.00 of 1 March 2021 with ISIN LV0000802452.

The issuer

The Issuer is AS “mogo”, a joint stock company (*Akciju Sabiedrība*) incorporated and existing under the laws of the Republic of Latvia, registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 50103541751 and having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia. Its telephone number is +371 6690 0904. The Issuer’s legal identifier (LEI) is 213800DOKX626GYVOI32.

Competent authority approving the Prospectus and date of approval

In order for the Bonds to be admitted to trading on Ndaq Riga Baltic Bond List regulated market segment, this Prospectus has been approved on 2 February 2021 by the Financial and Capital Market Commission of Latvia (In Latvian - *Finanšu un kapitāla tirgus komisija*) (the —“**FCMC**”), with address at Kungu iela 1, Riga, Latvia, LV-1050. Its telephone number is +371 67774800 and its email is ftk@ftk.lv.

Warnings

This summary should be read as an introduction to the Prospectus.

Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor.

The investor could lose all or part of the invested capital.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section 2 – the Issuer

Who is the issuer of the securities?

Domicile, legal form, LEI, relevant jurisdiction

AS “mogo”, a joint stock company (*Akciju Sabiedrība*) incorporated and existing under the laws of the Republic of Latvia, registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 50103541751 and having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia is the Issuer. Its telephone number is +371 6690 0904. The Issuer’s legal identifier (LEI) is 213800DOKX626GYVOI32.

Principal activities

The main area of Issuer’s activity is the leaseback of vehicles or crediting against the vehicle already owned by the client and financial leasing of vehicles and through its subsidiary AS Renti also long term rent.

Pursuant to article 3 of the restated articles of association (*Statūti*) of the Issuer dated 27 July 2020, as amended pursuant to shareholder resolutions dated 27 July 2020, the Issuer is engaged in the main business activities as follows:

1. Financial leasing (NACE 64.91);
2. Other credit granting (NACE 64.92);
3. Other financial service activities, except insurance and pension funding not elsewhere classified (NACE 64.99);
4. Other activities auxiliary to financial services, except insurance and pension funding (NACE 66.19);
5. Sale of cars and light motor vehicles (NACE 45.11);
6. Sale of other motor vehicles (NACE 45.19);
7. Activities of insurance agents and brokers (NACE 66.22),

as well as other business activities allowed by the laws of the Republic of Latvia.

Major shareholders

The following table sets out the relevant shareholding of the Issuer as at the date of this Prospectus:

	Details of the holder entity	Number of shares	%
1	AS Mogo Baltics and Caucasus	4,900,000	98%
2	SIA Tobago Capital	100,000	2%
	Sum	5,000,000	100%

As of the date of this Prospectus, the beneficial owner of the Issuer is Aigars Kesenfelds, holding indirectly 45.58749% of the voting share capital of the Issuer.

Management Board

The Issuer is currently managed by a Management Board composed of two members of the board and being: Mr. Krišjānis Znotiņš, appointed as Chairman of the Management Board for unlimited period of time and Mr. Aivis Lonskis, appointed as Member of the Management Board for unlimited period of time and each representing the Issuer solely (independently) .

Statutory auditor

The statutory auditors of the Issuer's Annual Financial Statements (i.e., the audited consolidated financial statements of the Issuer and its consolidated subsidiaries) as of and for the financial years ended 31 December 2018 was SIA "Ernst & Young Baltic" incorporated under the laws of Republic of Latvia, having its registered office at Muižas iela 1A, Rīga, LV-1010, Latvia, and registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 40003593454.

The statutory auditor of the Issuer for the financial year ended 31 December 2019 and current statutory auditor of the Issuer is "KPMG Baltics AS", incorporated under the laws of Republic of Latvia, having its registered office at Vesetas iela 7, Rīga, LV-1013, and registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 40003235171.

What is the key financial information regarding the Issuer ?

The tables below present key selected consolidated financial information for the Issuer as at and for the (i) financial years ended 31 December 2019 and 31 December 2018. This information has been derived from the Issuer's audited consolidated financial statements as at and for the year ended 31 December 2019 (including comparative financial information as at and for the financial year ended 31 December 2018) prepared in accordance the

International Financial Reporting Standards as adopted by the European Union (“IFRS”), and (ii) the nine-month periods ended 30 September 2020 and 30 September 2019 derived from the unaudited consolidated interim financial information as at and for the nine-month period ended 30 September 2020 prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting.

Selected statement of comprehensive income data of the Issuer (in Million EUR)

EUR	Jan- Dec 2019	Jan-Dec 2018	Jan- Sep 2020	Jan- Sep 2019
Revenue ¹	20.1	19.9	12.8	15.1
Net profit for the year/period	4.9	2.8	3.9	4.3
EBITDA ²	9.9	6.9	7.0	7.8

Selected statement of financial position data of the Issuer (in Million EUR)

EUR	Dec 31, 2019	Dec 31, 2018	Sep 30, 2020
Net loan portfolio and rental fleet	35.4	37.6	26.1
Total assets	62.9	52.6	54.9
Total equity	8.0	6.8	11.9
Net debt ³	48.0	42.9	36.9

Selected consolidated statement of cash flows data of the Issuer (in Million EUR)

EUR	Dec 31, 2019	Dec 31, 2018	Sep 30, 2020	Sep 30, 2019
Net cash flows to/from operating activities	26.4	(0.0)	15.5	19.4
Net cash flows to/from financing activities	2.5	0.1	(10.5)	4.4
Net cash flows from investing activities	(29.3)	(0.0)	(4.2)	(24.4)

What are the key risks that are specific to the Issuer ?

Key risks that are specific to the Issuer are the following:

Difficulties in assessing the credit risk of potential customers: Despite the credit scoring and vehicle valuation models of the Issuer, it may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. The Issuer’s financing decisions are based partly on information provided to it by applicants. Prospective customers may fraudulently provide it with inaccurate information upon which, if not alerted to the fraud, the Issuer may base its credit scoring. Any failure to correctly assess the credit risk of potential customers, due to failure in the Issuer’s evaluation of the customer or incorrect information fraudulently provided by the customer, may have a material adverse effect on the Issuer’s business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including

¹ Sum of Interest revenue, Income from car rent and Fee and commission related to finance lease activities and rent contracts

² For EBITDA breakdown please refer to Section „Selected Financial Information and Operating Data of the Issuer“ part „Other financial data (EBITDA) of the Issuer“

³ For Net debt breakdown please refer to Section „Selected Financial Information and Operating Data of the Issuer“ part „Net Debt of the Issuer“

imposition of fines and penalties, suspension of operations, or revocation of the Issuers licenses).

Risk of counterparty default: The Issuer is exposed to the risk that the Issuer's customers or other contractual counterparties may default or that the credit quality of the Issuer's customers or other contractual counterparties may deteriorate. As a consequence the Issuer's operational results could be adversely affected. The COVID-19 pandemic has significantly influenced the business of the Group and increased its exposure to counterparty credit risk.

Decrease in the residual values or the sales proceeds of returned vehicles: A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of the Issuer's finance leases and sale and lease back.

Liquidity risks: The Issuer is exposed to liquidity risks arising out of the mismatches between the maturities of its assets and liabilities, which may prevent it from meeting its obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between its assets and liabilities occur, this may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

Section 3 – The securities

What are the main features of the securities ?

Type, class and ISIN

11% unsecured bonds due 31 March 2024 for an aggregate principal amount of EUR 30,000,000.00 (the “**Bonds**”) payable to the bearer, with ISIN LV0000802452.

Number of Bonds, denomination, currency and term

30,000 Bonds in the denomination of EUR 1,000.00 each with a term from 1 March 2021 until 31 March 2024.

Rights attached to the Bonds

The Bonds will bear interest from (and including) 1 March 2021 to 31 March 2024 at a rate of 11 percent per annum. The interest is payable once a month on the last day of the month. The first interest payment will be made on 31 March 2021, the last Interest payment will be made on 31 March 2024. Interest Rate on the Bonds is fixed at 11 per cent per annum.

The Bonds are unconditionally and irrevocably guaranteed by the Guarantor.

Status and ranking of the Bonds

The Bonds are governed by law of the Republic of Latvia and constitute bonds in bearer form in accordance with Republic of Latvia applicable laws. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* in right of payment with all other present and future unsecured obligations of the Issuer and senior to all its existing and future subordinated debt.

Transferability of the Bonds

The Bonds are freely transferrable, however, any Holder wishing to transfer the Bonds must ensure that any offering related to such transfer would not be qualified as a public offering in the essence of the applicable law. According to the Bond Terms and Conditions, ensuring that any offering of the Bonds does not fall under the definition of public offering under the applicable law is the obligation and liability of the Holder..

Where will the securities be traded ?

The Bonds will be admitted to trading on the official Baltic Bond List of Nasdaq Riga regulated market in the aggregate principal amount of EUR 30,000,000.00 in a denomination of EUR 1,000.00 each.

Is there a guarantee attached to the securities ?

Nature and scope of the Guarantee

The Guarantor have given an unconditional and irrevocable Guarantee for the due and punctual payment of principal of, and interest on, and any other amounts payable by the Issuer under the Bonds.

Description of the Guarantor

Mogo Finance S.A a public limited liability company (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with Luxembourg trade and companies register (Registre de Commerce et des Sociétés de Luxembourg) under number B.174457 and having its registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg. Its telephone number is +352 26 186 526 and its fax number is +352 26 84 54 10. The Guarantor's legal identifier (LEI) is 894500N14T2GUDX0FL66.

Principal activities

Pursuant to article 3 of the restated articles of association (statuts coordonnés) of the Guarantor dated 6 June 2016, as amended pursuant to shareholder resolutions dated 12 October 2018 and shareholder resolutions dated 29 October 2019, the Guarantor's purpose is to invest, acquire and take participations and interests, in any form whatsoever, in Luxembourg or foreign companies or entities having a purpose similar to the purpose of the Guarantor and to acquire through participations, contributions, purchases, options or in any other way any securities, rights, interests, patents, trademarks and licenses or other property as the Guarantor shall deem fit, and generally to hold, manage, develop, encumber, sell or dispose of the same, in whole or in part, for such consideration that is in the corporate interest of the Guarantor. The Guarantor may also enter into any financial, commercial or other transactions and grant to any company or entity that forms part of the same group of companies as the Guarantor or is affiliated in any way with the Guarantor, including companies or entities in which the Guarantor has a direct or indirect financial or other kind of interest, any assistance, loan, advance or grant in favor of third parties any security or guarantee to secure the obligations of the same, as well as borrow and raise money in any manner and secure by any means the repayment of any money borrowed. Finally the Guarantor may take any action and perform any operation which is, directly related to its purpose in order to facilitate the accomplishment of such purpose. The Guarantor and its group companies, including the Issuer (the "**Group**"), specialized in used car financing.

Major shareholders

The following table sets out the relevant shareholding of the Guarantor as at the date of this Prospectus:

	Details of the holder entity	Number of shares	%
1	SIA AK Family Investments (Latvia)	45,587,491	45.58749%
2	AS Novo Holdings (Latvia)	15,229,035	15.22904%
4	AS Obelo Capital (Latvia)	15,229,237	15.22924%
5	LVS Limited (Malta)	15,229,237	15.22924%
	Sum	91,275,000	91,27500%

As of the date of this Prospectus, the beneficial owner of the Guarantor is the same as for the Issuer Aigars Kesenfelds, holding directly and indirectly 45.58749% of the voting share capital of the Guarantor. The remaining voting share capital of the Guarantor is controlled by current and former employees of the Group.

Key managing directors

The Guarantor is currently managed by a board of directors composed of two directors of type A and two directors of type B and being: Modestas Sudnius, A director, Maris Kreics, A director, Delphine Glessinger, B director and Attila Senig, B director, all appointed for a period ending at the annual general meeting of the Guarantor to be held on 2022.

Statutory auditor

The statutory auditors of the Group's Annual Financial Statements (i.e., the audited consolidated financial statements of the Guarantor and its consolidated subsidiaries) for the financial year ended 31 December 2018 was Ernst & Young, Société anonyme, incorporated under the laws of Luxembourg, having its registered office at 35E, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B 47771.

The statutory auditors of the Group's Annual Financial Statements (i.e., the audited consolidated financial statements of the Guarantor and its consolidated subsidiaries) as of and for the financial years ended 31 December 2019 was KPMG Luxembourg, Société anonyme, incorporated under the laws of Luxembourg, having its registered office at 39, Avenue John F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B 149133.

Key financial information regarding the Guarantor

The Guarantor is the ultimate parent company of the Group to which the Issuer is part of. The tables below present the key selected consolidated financial information for the Group as at and for (i) the financial years ended 31 December 2019 and 31 December 2018 derived from the Guarantor's audited consolidated financial statements as at and for the financial year ended 31 December 2019 (including comparative financial information for the financial year ended 31 December 2018) prepared in accordance with the **IFRS**, and (ii) the nine-month periods ended 30 September 2020 and 30 September 2019 derived from the unaudited consolidated interim financial information as at and for the nine-month period ended 30 September 2020 prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting.

Selected consolidated statement of comprehensive income data of the Guarantor (in Million EUR)

EUR	Jan-Dec 2019	Jan-Dec 2018	Jan-Sep 2020	Jan-Sep 2019
Revenue ¹	80.2	56.9	67.8	58.3
Net profit for the year/period	6.6	4.6	(7.0)	5.1
EBITDA ²	32.8	21.9	24.5	22.8

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

EUR	Dec 31, 2019	Dec 31, 2018	Sep 30, 2020
Net loan portfolio and rental fleet	189.7	141.3	191.8
Total assets	253.6	174.3	264.8
Total equity	29.1	17.8	27.1
Net debt ³	206.9	143.9	213.6

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

EUR	Dec 31, 2019	Dec 31, 2018	Sep 30, 2020	Sep 30, 2019

¹ Sum of Interest revenue, Fee and commission income related to finance lease activities and Revenue from leases

² For EBITDA breakdown please refer to Section „Selected Financial Information and Operating Data of the Guarantor“ part „Other financial data (EBITDA) of the Guarantor“

³ For NET debt breakdown please refer to Section „Selected Financial Information and Operating Data of the Guarantor“ part „Net Debt of the Guarantor“

Net cash flows to/from operating activities	(35.0)	(27.4)	20.1	(26.5)
Net cash flows to/from financing activities	60.4	43.3	(10.0)	48.6
Net cash flows from investing activities	(23.3)	(14.4)	(7.0)	(25.0)

Most material risk factors specific to the Guarantor

In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due. These factors include:

a. Risk relating to the Group's business activities and industry

Difficulties in assessing the credit risk of potential customers: Despite the credit scoring and vehicle valuation models of the Group, it may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. The Group's financing decisions are based partly on information provided to it by applicants. Prospective customers may fraudulently provide it with inaccurate information upon which, if not alerted to the fraud, the Group may base its credit scoring. Any failure to correctly assess the credit risk of potential customers, due to failure in the Group's evaluation of the customer or incorrect information fraudulently provided by the customer, may have a material adverse effect on the Group's business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including imposition of fines and penalties, suspension of operations, or revocation of our licenses).

Risk of counterparty default: We are exposed to the risk that our customers or other contractual counterparties may default or that the credit quality of our customers or other contractual counterparties may deteriorate. As a consequence our operational results could be adversely affected. The COVID-19 pandemic has significantly influenced the business of the Group and increased its exposure to counterparty credit risk.

Decrease in the residual values or the sales proceeds of returned vehicles: A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of our finance leases and sale and lease back.

Foreign exchange risks: The Group operates in various jurisdictions and provides loan products in local currencies, including the Euro, the Bulgarian Lev, the Georgian Lari, the Polish Zloty, the Romanian Leu, the Moldavian Leu, the Albanian Lek, the Armenian Dram and the Belorussian Ruble, the Kazakhstan Tenge, the Uzbekistan Som, the Kenyan shilling, the Ugandan shilling, the Bosnian and Herzegovinian Marka, the North Macedonian Denar, the Bulgarian Lev and the Ukrainian Hryvnia. Thus, its results of operations are exposed to foreign exchange rate fluctuations and any failure to manage foreign exchange risk may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

b. Risks related to the Group's financial situation

Changes in our working capital requirements: Our working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for used car

financing. If our available cash flows from operations are not sufficient to fund our on-going cash needs, we would be required to look to our cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital.

Low Capitalization Ratio: We are currently highly leveraged. The Group is currently in the process to engage in external equity capital raising activities by means of either public or private equity capital markets. We may not be able to obtain additional financing in the future to rebalance any further substantial level of indebtedness, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows and the ability to fulfil the obligations under the Bonds.

Liquidity risks: The Group is exposed to liquidity risks arising out of the mismatches between the maturities of its assets and liabilities, which may prevent it from meeting its obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between its assets and liabilities occur, this may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

c. Legal and regulatory risk

Failure to comply with anti-corruption laws, including anti-bribery laws, may result in penalties and sanctions, which may have a material adverse effect on our reputation and business.

d. Internal control risk

The interests of our beneficial owners may conflict with those of the Holders: The Group is ultimately controlled by several individuals. The interests of the ultimate beneficial owners may, in some circumstances, conflict with the interests of the Holders, particularly if the Group encounters financial difficulties or if we are unable to pay our debts as they become due. The ultimate beneficial owners could also have an interest in pursuing financings or other transactions which, in their judgment, could enhance their equity investment, although such transactions might increase the Group's indebtedness, require the Group to sell assets or otherwise impair our ability to make payments under the Bonds. Any potential conflict between the interests of the indirect controlling shareholder or the ultimate beneficial owners, on the one hand, and Holders, on the other hand, may have a material adverse effect on the value of the Bonds.

What are the key risks that are specific to the securities?

a. Risk related to the nature of the Bonds

Inability of the Group to generate sufficient cash: The Group may not be able to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest and default interest, if applied, on its indebtedness, including the borrowings under the Bonds offered.

Inability to repay or repurchase the Bonds at maturity: At maturity, the entire principal amount of the Bonds, together with accrued and unpaid interest, will become due and payable. The Group may not have the ability to repay or refinance these obligations.

Section 4 – Offering and admission to trading

Why is this Prospectus being produced ?

The Bonds form part of the Issuer's debt financing on the capital markets and this Prospectus has been prepared for the purposes of admitting the Bonds to trading on Nasdaq Riga regulated market segment Baltic Bond List, in accordance with the Terms and Conditions. The Issuer intends to use the net proceeds from the issue of the Bonds estimated to EUR 30,000,000 to refinance the current debt of the Issuer:

1. On 13 October 2014, the Issuer issued the EUR 20 million 10% notes due 31 March 2021, ISIN LV0000801363 (the "Notes 1"). The Notes 1 are traded on the regulated market Baltic Bond List of Nasdaq Riga.

2. On 27 November 2017, AS the Issuer issued further EUR 10 million 10% notes due 31 March 2021 ISIN LV0000880029 (the “**Notes 2**”). The Notes 2 are traded on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga.

Both Notes 1 and Notes 2 will mature on 31 March 2021. As of 30 September 2020, the principal outstanding amount and accumulated interest under both Notes 1 and Notes 2 was EUR 30 million.

The issue of the Bonds is not subject to an underwriting agreement. There are no material conflicts of interest pertaining to the admission of the Bonds to trading on Nasdaq Riga regulated market segment Baltic Bond List.

II. LATVIAN TRANSLATION OF THE SUMMARY (PROSPEKTA KOPSAVILKUMA TULKOJUMS LATVIEŠU VALODĀ)

1. iedaļa - Ievads un brīdinājumi

Ievads

Vērtspapīri

Nenodrošinātās obligācijas ar fiksēto procentu likmi 11% gadā; obligāciju dzēšanas termiņš ir 2024. gada 31. marts, par kopējo nominālvērtību EUR 30 000 000,00 un derīguma termiņa sākumu 2021. gada 1. martā; vērtspapīru starptautiskais identifikācijas numurs - ISIN LV000802452.

Emitents

Emitents ir akciju sabiedrība "mogo", kas ir reģistrēta un pastāv saskaņā ar Latvijas Republikas tiesību aktiem, ar Latvijas Republikas Uzņēmumu reģistra reģistrācijas numuru 50103541751, un kuras juridiskā adrese ir Skanstes ielā 52, Rīgā, LV-1013, Latvijā. Sabiedrības tālruna numurs ir +371 6690 0904. Emitenta juridiskās personas identifikators (LEI) ir 213800DOKX626GYVOI32.

Kompetentā iestāde, kas veic Prospekta apstiprināšanu un apstiprināšanas datumu

Lai Obligācijas tiktu iekļautas tirdzniecībā "Nasdaq Riga Baltic" obligāciju saraksta regulētajā tirgus segmentā, šis Prospekts ir ticis apstiprināts 2021. gada 2. februārī Latvijas Finanšu un kapitāla tirgus komisijā (**FKTK**), kuras adrese ir Kungu ielā 1, Rīgā, Latvijā, LV-1050; tālruna numurs: +371 67774800 un e-pasta adrese - fktk@fktk.lv.

Brīdinājumi

Šis kopsavilkums ir uzskatāms par Prospekta ievadu.

Jebkurš potenciālā ieguldītāja lēmums veikt ieguldījumus vērtspapīros pieņemams, pamatojoties uz pilnu Prospektā ietvertās informācijas izvērtējumu.

Investors var zaudēt visu ieguldīto kapitālu vai tā daļu.

Gadījumā, ja tiesā tiek iesniegta prasība saistībā ar šajā Prospektā ietverto informāciju, ieguldītājam kā prasītājam pirms šāda tiesvedības procesa uzsākšanas var rasties izdevumi sakarā ar šī Prospekta iztulkošanu saskaņā ar attiecīgās dalībvalsts normatīvajiem aktiem.

Tās personas, kuras tiesā ir iesniegušas kopsavilkumu, ieskaitot tā tulkojumu, ir civiltiesiski atbildīgas tikai tad, ja kopsavilkums, skatot to kopsakara ar citām šī Prospekta sadaļām, ir maldinošs, neprecīzs vai nekonsekvents, vai nesniedz būtiskāko informāciju, kas palīdzētu ieguldītājam pieņemt lēmumu par ieguldījumu veikšanu šādos vērtspapīros.

2. iedaļa - Emitents

Kas ir vērtspapīru emitents?

Dzīvesvieta, juridiskā forma, juridiskās personas identifikators, attiecīgā jurisdikcija

Akciju sabiedrība "mogo", kas ir reģistrēta un pastāv saskaņā ar Latvijas Republikas tiesību aktiem, reģistrēta Latvijas Republikas Uzņēmumu reģistrā ar reģistrācijas numuru 50103541751, un kuras juridiskā adrese ir Skanstes ielā 52, Rīgā, LV-1013, Latvijā. Sabiedrības tālruna numurs ir +371 6690 0904. Emitenta juridiskās personas identifikators (LEI) ir 213800DOKX626GYVOI32.

Galvenās darbības jomas

Emitenta galvenā darbības joma ir transportlīdzekļu atgriezeniskais līzings jeb kredītēšana pret klientam jau piederošu transportlīdzekļi, transportlīdzekļu finanšu līzings un, ar tā meitasuzņēmuma AS "Renti" starpniecību, arī ilgtermiņa līzings.

Saskaņā ar Emitenta statūtu labotās redakcijas 2020. gada 27. jūlija versijas 3. punktu, kas grozīts saskaņā ar akcionāru 2020. gada 27. jūlija lēmumiem, Emitents ir iesaistīts šādās uzņēmējdarbības pamatjomās:

1. Finanšu noma (NACE 64.91) ;
2. Citi kreditēšanas pakalpojumi (NACE 64.92);
3. Citur neklasificētas finanšu pakalpojumu darbības, izņemot apdrošināšanu un pensiju uzkrāšanu (NACE 64.99);
4. Citas finanšu pakalpojumus papildinošas darbības, izņemot apdrošināšanu un pensiju uzkrāšanu (NACE 66.19);
5. Automobiļu un citu vieglo transportlīdzekļu pārdošana (NACE 45.11);
6. Citu automobiļu pārdošana (NACE 45.19);
7. Apdrošināšanas aģentu un brokeru darbība (NACE 66.22),

kā arī citās uzņēmējdarbības jomās, kuras pieļauj Latvijas Republikā spēkā esošie tiesību akti.

Nozīmīgākie akcionāri

Zemāk redzamajā tabulā ir norādīta uz šī Prospekta sastādīšanas dienu pieejamā informācija par Emitenta nozīmīgāko akcionāru līdzdalību:

	Informācija par turētājiestādi	Akciju skaits	%
1	AS “Mogo Baltics and Caucasus”	4 900 000	98%
2	SIA “Tobago Capital”	100 000	2%
	Summa	5 000 000	100%

Uz šī Prospekta sastādīšanas dienu Emitenta faktiskais īpašnieks ir Aigars Kesenfelds, kuram netiešā veidā pieder 45,58749% no Emitenta balsstiesīgā akciju kapitāla.

Valde

Emitentu pašlaik pārvalda valde, kas sastāv no diviem valdes locekļiem: Krišjāņa Znotiņa k-ga, kurš ir iecelts par valdes priekšsēdētāju uz neierobežotu laiku, un Aivja Lonska k-ga, kurš ir iecelts par valdes locekli uz neierobežotu laiku, katrs ar tiesībām pārstāvēt Emitentu atsevišķi (neatkarīgi).

Apstiprinātais revidents

Emitenta finanšu pārskatu (t. i., revidēto Emitenta un tā konsolidēto meitasuzņēmumu konsolidēto finanšu pārskatu) par finanšu gadiem, kas noslēdzās 2018. gada 31. decembrī, apstiprinātais revidents bija SIA “Ernst & Young Baltic”, kas ir reģistrēts saskaņā ar Latvijas Republikas tiesību aktiem un kura juridiskā adrese ir Muižas ielā 1A, Rīgā, LV-1010, un kas ir reģistrēta Latvijas Republikas Uzņēmumu reģistrā ar reģistrācijas numuru 40003593454.

Emitenta finanšu pārskatu par finanšu gadu, kas noslēdzās 2019. gada 31. decembrī, apstiprinātais revidents un pašreizējais apstiprinātais revidents ir “KPMG Baltics” AS, kas ir reģistrēts saskaņā ar Latvijas Republikas tiesību aktiem un kura juridiskā adrese ir Vesetas ielā 7, Rīgā, LV-1013, un kas ir reģistrēta Latvijas Republikas Uzņēmumu reģistrā ar reģistrācijas numuru 40003235171.

Kāda ir galvenā finanšu informācija par Emitentu?

Turpmāk redzamajās tabulās ir sniegta informācija par galveno konsolidēto finanšu pārskatu par Emitenta (i) finanšu gadiem, kas noslēdzās 2019. gada 31. decembrī un 2018. gada 31. decembrī. Šī informācija ir iegūta no Emitenta revidētajiem konsolidētajiem finanšu pārskatiem par gadu, kas noslēdzās 2019. gada 31. decembrī (ieskaitot salīdzinošo finanšu informāciju par gadu, kas noslēdzās 2018. gada 31. decembrī), kas ir sagatavota saskaņā ar Eiropas Savienības pieņemtajiem starptautiskajiem finanšu pārskatu standartiem (“**SFPS**”), un (ii) par deviņu mēnešu periodiem, kas noslēdzās 2020. gada 30. septembrī un 2019. gada 30. septembrī, pamatojoties

uz nerevidēto konsolidēto starpperioda finanšu informāciju par deviņu mēnešu periodu, kas noslēdzās 2020. gada 30. septembrī, un kas ir sagatavota, pamatojoties uz SFPS piemērojamajiem atzīšanas, novērtēšanas un konsolidācijas principiem, kas piemērojami attiecībā uz starposma finanšu pārskatiem.

Atsevišķais Emitenta visaptverošo ienākumu pārskats (miljonos EUR)

EUR	No 2019. gada janvāra līdz decembrim	No 2018. gada janvāra līdz decembrim	No 2020. gada janvāra līdz septembrim	No 2019. gada janvāra līdz septembrim
Ieņēmumi ¹	20.1	19.9	12.8	15.1
Gada/perioda tīrā peļņa	4.9	2.8	3.9	4.3
EBITDA ²	9.9	6.9	7.0	7.8

Atsevišķais Emitenta finanšu stāvokļa pārskats (miljonos EUR)

EUR	2019. gada 31. decembris	2018. gada 31. decembris	2020. gada 30. septembris
Neto kredītportfelis un nomas parks	35.4	37.6	26.1
Kopējie aktīvi	62.9	52.6	54.9
Kopējais pašu kapitāls	8.0	6.8	11.9
Neto parāds ³	48.0	42.9	36.9

Atsevišķais konsolidētais Emitenta naudas plūsmas pārskats (miljonos EUR)

EUR	2019. gada 31. decembris	2018. gada 31. decembris	2020. gada 30. septembris	2019. gada 30. septembris
Neto naudas plūsmas uz/no pamatdarbības	26,4	(0,0)	15,5	19,4
Neto naudas plūsmas uz/no finansēšanas darbībām	2,5	0,1	(10,5)	4,4
Neto naudas plūsmas no ieguldījumu darbības	(29,3)	(0,0)	(4,2)	(24,4)

Kādi ir būtiskākie riski, kas ir raksturīgi Emitentam?

Būtiskākie riski, kas ir raksturīgi Emitentam, ir šādi:

Grūtības potenciālo klientu kredītriska novērtēšanā: Neraugoties uz Emitenta rīcībā esošajiem kredītreitinga un transportlīdzekļu novērtēšanas modeļiem, tas var nespēt pareizi novērtēt katru potenciālā klienta pašreizējo finanšu stāvokli un noteikt tā kredībspēju un/vai nodrošinājuma vērtību. Emitenta finansēšanas lēmumi ir daļēji balstīti uz pieteicēju sniegto informāciju. Potenciālie klienti var krāpnieciskos nolūkos sniegt neprecīzu informāciju, uz kuru pamatojoties Emitents var noteikt neatbilstošu kredītreitingu, netiekot laicīgi brīdinātam par krāpšanas faktu. Jebkura nespēja pareizi novērtēt potenciālo klientu kredītrisku, kas ir saistīta ar Emitenta nespēju adekvāti novērtēt

¹ Procentu ieņēmumu summa, ienākumi no automašīnu īres un samaksa, un komisijas maksa, kas saistīta ar finanšu nomas darbībām un īres līgumu.

² EBITDA sadalījumu skatiet sadaļā „Atlasītā Emitenta finanšu informācija un darbības dati” daļā „Citi Emitenta finanšu dati (EBITDA).”

³ Neto parāda sadalījumu, lūdzu skatiet sadaļā „Atlasītā Emitenta informācija un darbības dati” daļā „Emitenta neto parāds”.

klientu vai nepareizu informāciju, kuru klients ir sniedzis krāpnieciskos nolūkos, var atstāt būtiski negatīvu ietekmi uz Emitenta uzņēmējdarbību, finansiālo stāvokli, darbības rezultātiem, nākotnes perspektīvām vai naudas plūsmu un var pat kalpot par pamatu regulatīvu sankciju piemērošanai (ieskaitot naudas sodu un citu soda veidu piemērošanu, darbības apturēšanu vai Emitentam izsniegto licenču anulēšanu).

Darījumu partneru saistību nepildīšanas risks: Emitents ir pakļauts riskam, ka Emitenta klienti vai citi līgumiskie darījumu partneri var nepildīt savas saistības vai arī, ka Emitenta klientu vai citu līgumisko darījumu partneru kredītkvalitāte var pasliktināties. Tādējādi tas varētu atstāt negatīvu ietekmi uz Emitenta darbības rezultātiem. COVID-19 pandēmija ir būtiski ietekmējusi Grupas biznesu un palielinājusi tās pakļaušanu darījumu partnera kredītriskam.

Atgriezto transportlīdzekļu vai pārdošanas ieņēmumu atlikušās vērtības samazināšanās: atgriezto transportlīdzekļu atlikušās vērtības vai pārdošanas ieņēmumu samazināšanās varētu atstāt būtiski negatīvu ietekmi uz Emitenta finanšu nomas un pārdošanas vērtību, kā arī uz izsniegto atgriezenisko līzingu nodrošinājuma vērtību.

Likviditātes riski: Emitents ir pakļauts likviditātes riskiem saistībā ar aktīvu un pasīvu termiņu nesakrītību, kas var traucēt saistību laicīgu izpildi. Ja īstermiņa un jo īpaši ilgtermiņa finansējums no starptautiskajiem kapitāla tirgiem nav pieejams vai arī, ja rodas nesakrītība starp aktīvu un pasīvu termiņiem, tas var atstāt būtiski nelabvēlīgu ietekmi uz Emitenta uzņēmējdarbību, finanšu stāvokli, darbības rezultātiem, nākotnes perspektīvām vai naudas plūsmu.

3. iedaļa – Vērtspapīri

Kādas ir vērtspapīru galvenās iezīmes?

Vērtspapīru veids, klase un ISIN (starptautiskais vērtspapīru identifikācijas numurs)

Nenodrošinātās obligācijas ar fiksēto procentu likmi 11% gadā, un kuru dzēšanas termiņš ir 2024. gada 31. marts, par kopējo nominālvērtību 30 000 000,00 EUR ("**Obligācijas**"), kuras tiks izmaksātas to turētājiem, ar ISIN Nr. (starptautisko vērtspapīru identifikācijas numuru): LV0000802452.

Obligāciju skaits, nominālvērtība, valūta un termiņš

30 000 Obligācijas, kas ir denominētas *euro* valūtā ar katras Obligācijas nominālvērtību 1 000,00 EUR apmērā un derīguma termiņu no 2021. gada 1.marta līdz 2024. gada 31. martam.

Obligācijām piesaistītās tiesības

Obligācijas sniegs ieguldījumu atdevi ar procentu likmi 11% gadā sākot ar (un ieskaitot) 2021. gada 1. martu līdz 2024. gada 31. martam. Procentu maksājumi tiks veikti reizi mēnesī mēneša pēdējā datumā. Pirmais procentu maksājums tiks veikts 2021. gada 31. martā, savukārt pēdējais procentu maksājums tiks veikts 2024. gada 31. martā. Obligācijas ir ar fiksēto gada procentu likmi 11% gadā.

Obligācijas bez nosacījumiem un neatsaucami garantē Garantijas devējs.

Obligāciju statuss un reitings

Obligācijas reglamentē Latvijas Republikas tiesību akti, un tās ir kvalificējamās kā uzrādītāja parāda vērtspapīri saskaņā ar piemērojamajiem Latvijas Republikas normatīvajiem aktiem. Obligācijas ir kvalificējamās kā Emitenta tiešas, vispārējas, beznosacījumu, nepakārtotas un nenodrošinātās obligācijas, un uz tām vienmēr attieksies maksājuma tiesību nosacījumi, kas ir līdzvērtīgi visām citām esošajām un turpmākajām Emitenta nenodrošinātajām obligācijām, un tās ir prioritāras attiecībā pret visiem tā esošajiem un nākotnes subordinētajiem parādiem.

Obligāciju pārvedamība

Obligācijas ir brīvi pārvedamas, tomēr jebkuram Turētājam, kurš vēlas Obligācijas, ir jānodrošina, lai jebkurš ar šādu pārvedumu saistīts piedāvājums nebūtu kvalificējams kā publiskā piedāvājums saskaņā ar piemērojamajiem normatīvajiem aktiem. Saskaņā ar Obligāciju Noteikumiem un Nosacījumiem nodrošināt, ka jebkurš Obligāciju piedāvājums neatiecas uz publiskā piedāvājuma definīciju saskaņā ar piemērojamajiem normatīvajiem aktiem, ir Turētāja pienākums un atbildība.

Kur notiks vērtspapīru tirdzniecība?

Obligācijas tiks iekļautas "Nasdaq Riga" regulētā tirgus segmenta oficiālajā Baltijas obligāciju sarakstā par kopējo summu 30 000 000,00 EUR un katras Obligācijas nominālvērtību - 1000 EUR.

Vai vērtspapīriem ir piesaistītas garantijas?

Garantijas veids un darbības joma

Garantijas devējs ir sniedzis beznosacījumu un neatsaucamu garantiju attiecībā laicīgu un punktuālu pamatsummas, procentu, kā arī jebkuru citu summu samaksu, kuras Emitentam ir pienākums apmaksāt saskaņā ar Obligāciju maksājumiem.

Garantijas devēja apraksts

Mogo Finance S.A ir publiska ierobežotas atbildības sabiedrība (akciju sabiedrība), kas ir reģistrēta un pastāv saskaņā ar Luksemburgas Lielhercogistes tiesību aktiem, un ir iekļauta Luksemburgas Tirdzniecības un uzņēmumu reģistrā (*Registre de Commerce et des Sociétés de Luxembourg*) ar reģistrācijas numuru B.174457, un tās juridiskā adrese ir Avenue de la Gare ielā 8-10, L-1610 Luksemburgā, Luksemburgas Lielhercogistē. Tās tālruna numurs ir +352 26 186 526 un faks numurs – +352 26 84 54 10. Garantijas devēja juridiskās personas identifikators (LEI) ir 894500N14T2GUDX0FL66.

Galvenās darbības jomas

Saskaņā ar Garantijas devēja 2016. gada 6. jūnija saskaņoto statūtu 3. pantu, kas grozīts atbilstoši akcionāru rezolūcijām, kas datētas ar 2019. gada 29. oktobri, un akcionāru lēmumiem, kas datēti ar 2018. gada 29. oktobri, Garantijas devēja mērķis ir ieguldīt, iegādāties un jebkādā veidā iegūt līdzdalību un daļas Luksemburgas vai ārvalstu uzņēmumos, kuru mērķis ir līdzīgs Garantijas devēja mērķim, un iegūt līdzdalību, iemaksas, pirkumus, opcijas vai jebkādā citā veidā iegādāties jebkādas vērtspapīrus, tiesības, daļas, patentus, preču zīmes un licences vai citu īpašumu, ko Garantijas devējs uzskata par piemērotu un lielākoties turēt, pārvaldīt, attīstīt, apgrūtināt, pārdot vai rīkoties ar to pilnībā vai daļēji par tādu atlīdzību, kas ir uzņēmuma korporatīvajās interesēs. Garantijas devējam ir arī tiesības veikt jebkādas finanšu, komerciālus vai citus darījumus un sniegt jebkuram uzņēmumam vai struktūrai, kas ietilpst tajā pašā uzņēmumu grupā kā Garantijas devējs vai ir jebkādā veidā saistīti ar Garantijas devēju, ieskaitot uzņēmumus vai struktūras, kurās Garantijas devējam ir tieša vai netieša finansiāla vai cita veida interese, jebkādu palīdzību, aizdevumu, avansu vai dotāciju par labu trešajām personām, sniedzot jebkādu nodrošinājumu vai garantiju, lai nodrošinātu minēto personu saistības, kā arī aizņemties un piesaistīt naudas līdzekļus jebkādā veidā un ar jebkādiem līdzekļiem nodrošināt jebkuras aizņemto naudas līdzekļu atmaksu. Visbeidzot, Garantijas devējs var veikt jebkādu darbību un īstenot jebkuras operācijas, kas ir tieši saistītas ar tā darbības mērķi, lai veicinātu attiecīgā mērķa sasniegšanu. Garantijas devējs un tā Grupas uzņēmumi, ieskaitot Emitentu ("**Grupa**"), specializējas lietotu transportlīdzekļu finansēšanā.

Nozīmīgākie akcionāri

Zemāk redzamajā tabulā ir norādīta uz šī Prospekta sastādīšanas dienu pieejamā informācija par Garantijas devēja nozīmīgāko akcionāru līdzdalību:

	Informācija par akcionāriem	Akciju skaits	%
1	SIA "AK Family Investments" (Latvija)	45,587,491	45.58749%
2	AS "Novo Holdings" (Latvija)	15,229,035	15.22904%
4	AS "Obelo Capital" (Latvija)	15,229,237	15.22924%
5	LVS Limited (Malta)	15,229,237	15.22924%
	Summa	91,275,000	91,27500%

Uz šī Prospekta sastādīšanas dienu Garantijas devējam ir tādi paši faktiskie īpašnieki kā Emitenta gadījumā - Aigars Kesenfelds, kuram tiešā un netiešā veidā pieder 45, 58749% no Garantijas

devēja balsstiesīgā akciju kapitāla. Atlikušo Garantijas devēja balsstiesīgo akciju kapitālu kontrolē esošie un bijušie Grupas darbinieki.

Galvenie rīkotājdirektori

Garantijas devēju pašlaik pārvalda direktoru padome, kas sastāv no diviem A līmeņa direktoriem un diviem B līmeņa direktoriem: A līmeņa direktora Modesta Sudnusa (*Modestas Sudnius*), A līmeņa direktora Māra Kreica, B līmeņa direktores Delfines Glesingeras (*Delphine Glessinger*) un B līmeņa direktores Aillas Senigas (*Attila Senig*), visi no kuriem ir iecelti uz laika periodu, kas beigsies līdz ar Garantijas devēja ikgadējo kopsapulci, kas notiks 2022. gadā.

Apstiprinātais revidents

Grupas gada finanšu pārskatu apstiprinātais revidents (t.i., Garantijas devēja un tā konsolidēto meitas uzņēmumu revidētie konsolidētie finanšu pārskati) par finanšu gadu, kas noslēdzās 2018. gada 31. Decembrī bijaa "Ernst & Young, Société anonyme", kas ir reģistrēts saskaņā ar Luksemburgas tiesību aktiem, kura juridiskā adrese ir 35E, Avenue John F. Kennedy, L-1855, Luksemburgā, Luksemburgas Lielhercogistē, un kas ir reģistrēta Luksemburgas Tirdzniecības un uzņēmumu reģistrā ar reģistrācijas numuru B 47771.

Grupas gada finanšu pārskatu apstiprinātais revidents (t.i., Garantijas devēja un tā konsolidēto meitas uzņēmumu revidētie konsolidētie finanšu pārskati) par finanšu gadiem, kas noslēdzās 2019. gada 31. Decembrī un pašreizējais apstiprinātais revidents ir "KPMG Luxembourg, Société anonyme", kas ir reģistrēts saskaņā ar Luksemburgas tiesību aktiem, kura juridiskā adrese ir 39, Avenue John F. Kennedy, L-1855, Luksemburgā, Luksemburgas Lielhercogistē, un kas ir reģistrēta Luksemburgas Tirdzniecības un uzņēmumu reģistrā ar reģistrācijas numuru B 149133.

Galvenā finanšu informācija par Garantijas devēju

Garantijas devējs ir galvenais Grupas mātes uzņēmums, kuras sastāvā ietilpst Emitents. Turpmāk redzamajās tabulās ir sniegta informācija par galveno konsolidēto finanšu pārskatu par Grupas (i) finanšu gadiem, kas noslēdzās 2019. gada 31. decembrī un 2018. gada 31. decembrī, kas ir iegūti balstoties uz Garantijas devēja revidētajiem konsolidētajiem finanšu pārskatiem par gadu, kas noslēdzās 2019. gada 31. decembrī (ieskaitot salīdzinošo finanšu informāciju par gadu, kas noslēdzās 2018. gada 31. decembrī), kas ir sagatavota saskaņā ar Eiropas Savienības pieņemtajiem starptautiskajiem finanšu pārskatu standartiem ("SFPS"), un (ii) par deviņu mēnešu periodiem, kas noslēdzās 2020. gada 30. septembrī un 2019. gada 30. septembrī, pamatojoties uz nerevidēto konsolidēto starpperioda finanšu informāciju par deviņu mēnešu periodu, kas noslēdzās 2020. gada 30. septembrī, un kas ir sagatavota, pamatojoties uz SFPS piemērojamajiem atzīšanas, novērtēšanas un konsolidācijas principiem, kas piemērojami attiecībā uz starpposma finanšu pārskatiem.

Garantijas devēja visaptverošo ienākumu konsolidētais pārskats (miljonos EUR)

EUR	No 2019. gada janvāra līdz decembrim	No 2018. gada janvāra līdz decembrim	No 2020. gada janvāra līdz septembrim	No 2019. gada janvāra līdz septembrim
Ieņēmumi ¹	80.2	56.9	67.8	58.3
Gada/perioda tīrā peļņa	6.6	4.6	(7.0)	5.1
EBITDA ²	32.8	21.9	24.5	22.8

Garantijas devēja finanšu stāvokļa konsolidētais pārskats (miljonos EUR)

EUR	2019. gada 31. decembris	2018. gada 31. decembris	2020. gada 30. septembris
-----	--------------------------	--------------------------	---------------------------

¹ Procentu ieņēmumi, komisijas un komisijas saistībā ar ienākumiem, kas saistītas ar finanšu nomas darbību un ieņēmumi no nomas.

² EBITDA sadalījumu, lūgums skatīt sadaļā „Atlasītā Garantijas devēja finanšu informācija un darbības dati” daļā „Garantijas devēja citi finanšu dati (EBITDA)”

Neto kredītportfelis un nomas parks	189.7	141.3	191.8
Kopējie aktīvi	253.6	174,3	264,8
Kopējais pašu kapitāls	29.1	17.8	27.1
Neto parāds ¹	206.9	143.9	213.6

Garantijas devēja naudas plūsmas konsolidētais pārskats (miljonos EUR)

EUR	2019. gada 31. decembris	2018. gada 31. decembris	2020. gada 30. septembris	2019.gada 30.septembris
Neto naudas plūsmas uz/no pamatdarbības	(35.0)	(27.4)	20.1	(26.5)
Neto naudas plūsmas uz/no finansēšanas darbībām	60.4	43.3	(10.0)	48.6
Neto naudas plūsmas no ieguldījumu darbības	(23.3)	(14.4)	(7.0)	(25.0)

Garantijas devējam raksturīgākie būtiskākie riska faktori

Iegādājoties Obligācijas, ieguldītāji uzņemas risku, ka Emitents var kļūt maksātnespējīgs vai kā citādi nespējīgs izpildīt visas no Obligācijām izrietošās maksājumu saistības. Pastāv plašs faktoru klāsts, kas atsevišķi vai kopā var izraisīt to, ka Emitents var nespēt veikt visus obligātos maksājumus. Nav iespējams identificēt visus šāda veida faktoros vai noteikt, kuri faktori visdrīzāk varētu notikt, jo Emitentam var nebūt zināmi visi attiecīgie faktori, un daži faktori, kurus tas šobrīd uzskata par nebūtiskiem, var kļūt būtiski saistībā ar notikumiem, kas ir ārpus Emitenta ietekmes. Emitents ir identificējis vairākus faktoros, kas varētu atstāt būtiski nelabvēlīgu ietekmi uz tā uzņēmējdarbību, kā arī ietekmēt tā spēju veikt obligātos maksājumus. Šie faktori ietver:

a. Riski, kas saistīti ar Grupas uzņēmējdarbību un nozari.

Grūtības potenciālo klientu: kredītriska novērtēšana: Neraugoties uz Grupas rīcībā esošajiem kredītreitinga un transportlīdzekļu novērtēšanas modeļiem, tā var nespēt pareizi novērtēt katra potenciālā klienta pašreizējo finanšu stāvokli un noteikt tā kredītspeju un/vai nodrošinājuma vērtību. Grupas lēmumi par finansēšanu ir daļēji balstīti uz pieteicēju sniegto informāciju. Potenciālie klienti var krāpnieciskos nolūkos sniegt neprecīzu informāciju, uz kuru pamatojoties Grupa var noteikt neatbilstošu kredītreitingu, netiekot laicīgi brīdinātai par krāpšanas faktu. Jebkura nespēja pareizi novērtēt potenciālo klientu kredītrisku, kas ir saistīta ar Grupas nespēju adekvāti novērtēt klientu vai nepareizu informāciju, kuru klients ir sniedzis krāpnieciskos nolūkos, var atstāt būtiski negatīvu ietekmi uz Grupas uzņēmējdarbību, finansiālo stāvokli, darbības rezultātiem, nākotnes perspektīvām vai naudas plūsmu un var pat kalpot par pamatu regulatīvu sankciju piemērošanai (ieskaitot naudas sodu un citu soda veidu piemērošanu, darbības apturēšanu vai Emitentam izsniegto licenču anulēšanu).

Darījumu partneru saistību nepildīšanas risks: Mēs esam pakļauti riskam, ka mūsu klienti vai citi līgumiskie darījumu partneri var nepildīt savas saistības vai arī, ka var pasliktināties mūsu klientu vai citu līgumisko partneru kredītkvalitāte. Tādējādi tas varētu atstāt negatīvu ietekmi uz mūsu darbības rezultātiem. COVID-19 pandēmija ir būtiski ietekmējusi Grupas biznesu un palielinājusi tā pakļautību darījumu partnera kredītriskam.

¹ Neto parāda sadalījumu, lūgums skatīt sadaļā „Atlasītā Garantijas devēja finanšu informācija un darbības dati” daļā „Garantijas devēja Neto parāds”

Atgriezto transportlīdzekļu vai pārdošanas ieņēmumu atlikušās vērtības samazināšanās: atgriezto transportlīdzekļu atlikušās vērtības vai pārdošanas ieņēmumu samazināšanās varētu atstāt būtiski negatīvu ietekmi uz mūsu finanšu nomas un pārdošanas vērtību, kā arī uz izsniegto atgriezenisko līzingu nodrošinājuma vērtību.

Ārvalstu valūtas riski: Grupa darbojas dažādās jurisdikcijās un nodrošina aizdevumu produktus vietējās valūtās, ieskaitot *euro*, Bulgārijas levas, Gruzijas larus, Polijas zlotus, Rumānijas lejas, Moldāvijas lejas, Albānijas lekus, Armēnijas drāmus un Baltkrievijas rubļus, Kazahstānas tengus, Uzbekistānas sumus, Kenijas šiliņus, Ugandas šiliņus, Bosnijas un Hercegovinas markas, Ziemeļmaķedonijas denārus, Bulgārijas levas un Ukrainas grivnas. Tādējādi tās darbības rezultāti ir pakļauti ārvalstu valūtas kursu svārstībām, un jebkura nespēja pārvaldīt valūtas risku var atstāt būtiski negatīvu ietekmi uz tās uzņēmējdarbību, finanšu stāvokli, darbības rezultātiem, nākotnes perspektīvām vai naudas plūsmu.

b. Riski, kas saistīti ar Grupas finansiālo stāvokli

Izmaiņas mūsu apgrozāmā kapitāla prasībās: Mūsu apgrozāmā kapitāla prasības katrā tirgū var ievērojami atšķirties, daļēji atkarībā no lietotu automašīnu finansēšanas pieprasījuma atšķirībām. Ja no mūsu darbības gūtās pieejamās naudas plūsmas nav pietiekamas, lai finansētu pašreizējās naudas līdzekļu vajadzības, mums būs jāpievērš uzmanība mūsu naudas atlikumam un pieejamajām kredītspējām, lai apmierinātu šīs vajadzības, kā arī piesaistītu potenciālos papildu kapitāla avotus.

Zems kapitalizācijas koeficients: mums pašlaik ir ļoti liels aizņemto līdzekļu īpatsvars. Grupa pašlaik atrodas trešo pušu kapitāla piesaistes stadijā ar mērķi piesaistīt kapitālu no publiskiem vai privātiem akciju kapitāla tirgiem. Iespējams, ka nākotnē mēs nevarēsim iegūt papildu finansējumu, lai līdzsvarotu jebkuru turpmāku būtisko parādu līmeni, kam var būt būtiski negatīva ietekme uz mūsu uzņēmējdarbību, finansiālo stāvokli, darbības rezultātiem, nākotnes perspektīvām vai naudas plūsmām un spēju izpildīt no Obligācijām izrietošās saistības.

Likviditātes riski: Grupa ir pakļauta likviditātes riskiem, kas rodas no nesakritība starp tās aktīvu un saistību termiņiem, kas var traucēt savlaicīgi izpildīt savas saistības. Ja īstermiņa un jo īpaši ilgtermiņa finansējums no starptautiskajiem kapitāla tirgiem nav pieejams vai, ja rodas aktīvu un saistību termiņu nesakritība, tas var būtiski negatīvi ietekmēt tā uzņēmējdarbību, finanšu stāvokli, darbības rezultātus, perspektīvas vai naudu plūst.

c. Juridiskais un regulatīvais risks

Ja netiek ievēroti korupcijas apkarošanas likumi, tostarp likumi par kukuļošanu, var tikt piemēroti soda mēri un sankcijas, kas var atstāt būtiski nelabvēlīgu ietekmi uz mūsu reputāciju un uzņēmējdarbību.

d. Iekšējās kontroles risks

Mūsu faktisko īpašnieku intereses var būt pretrunā ar Turētāju interesēm: Grupu galu galā kontrolē vairākas personas. Galīgo faktisko īpašnieku intereses dažos gadījumos var būt pretrunā ar Turētāju interesēm, it īpaši, ja Grupai rodas finansiālas grūtības vai ja mēs nespējam nomaksāt savas parādsaistības, kad iestājas to nomaksas termiņš. Galīgajiem faktiskajiem īpašniekiem varētu būt arī interese par finansējuma piesaistīšanu vai citu darījumu veikšanu, kas, pēc viņu domām, varētu uzlabot viņu ieguldījumus kapitālā, lai gan šādi darījumi var palielināt Grupas parādsaistības, radīt Grupai nepieciešamību pārdot aktīvus vai kā citādi pasliktināt mūsu spēju veikt no Obligācijām izrietošos maksājumus. Jebkurš potenciāls konflikts starp netieši kontrolējošā akcionāra vai galīgo faktisko īpašnieku interesēm, no vienas puses, un Turētājiem, no otras puses, var būtiski negatīvi ietekmēt Obligāciju vērtību.

Kādi ir galvenie vērtspapīriem raksturīgie riski?

a. Riski, kas saistīti ar Obligāciju raksturu

Grupās nespēja ģenerēt pietiekami lielus naudas līdzekļus: Grupa var nespēt uzturēt tādu naudas plūsmas līmeni no pamatdarbības, kas ļautu tai samaksāt pamatsummu, prēmiju, ja tāda ir, un izmaksāt procentu un nokavējumu procentu, ja tādi tiek piemēroti, maksājumus saistībā ar tās parādsaistībām, tostarp aizņēmumiem, kas veikti saistībā ar piedāvātajām Obligācijām.

Nespēja atmaksāt vai atpirkt Obligācijas termiņa beigās: Termiņa beigās ir izmaksājama visa Obligāciju pamatsumma kopā ar uzkrātajiem un nesamaksātajiem procentiem. Grupa var nespēt atmaksāt vai pārfinansēt šīs saistības.

4. iedaļa - Piedāvāšana un iekļaušana tirdzniecībā

Kāds ir šī Prospekta izstrādāšanas mērķis?

Obligācijas ir daļa no Emitenta parādu finansēšanas kapitāla tirgos, un šis Prospekts ir sagatavots Obligāciju iekļaušanai biržas "Nasdaq Riga" regulētā tirgus segmenta Baltijas obligāciju sarakstā, saskaņā ar noteikumiem un nosacījumiem. Emitents plāno izmantot tīros ieņēmumus, kas gūti no Obligāciju emisijas, kuru vērtība tiek lēsta 30 000 000 EUR apmērā, lai refinansētu Emitenta pašreizējo parādu:

1. 2014. gada 13. oktobrī Emitētājs emitēja parādzīmes ar 10% gada likmi 20 miljonu *euro* apmērā, kuru dzēšanas termiņš ir 2021. gada 31. marts, ISIN Nr. LV0000801363 ("**Parādzīmes Nr. 1**"). Parādzīmes Nr. 1 tiek tirgotas "Nasdaq Riga" regulētā tirgus segmenta NR Baltijas obligāciju sarakstā.
2. 2017. gada 27. novembrī Emitents emitēja papildu parādzīmes ar 10% gada likmi 10 miljonu *euro* apmērā, kuru dzēšanas termiņš ir 2021. gada 31. marts, ISIN Nr. LV0000880029 ("**Parādzīmes Nr. 2**"). Parādzīmes Nr. 2 tiek tirgotas "Nasdaq Riga" pārvaldītajā daudzpusējās tirdzniecības sistēmā (MTF) "First North".

Gan Parādzīmes Nr. 1, gan arī Parādzīmes Nr. 2 tiks dzēstas 2021. gada 31. martā. Uz 2020. gada 30. septembri atlikusī pamatsumma un uzkrātie procenti, kas izriet no Parādzīmes Nr. 1 un Parādzīmes Nr. 2, bija 30 miljoni EUR.

Uz Obligāciju emisiju neattiecas vērtspapīru parakstīšanas vienošanās. Attiecībā uz Obligāciju iekļaušanu "Nasdaq Riga" regulētā tirgus segmenta Baltijas obligāciju sarakstā nav būtisku interešu konfliktu.

III. LITHUANIAN TRANSLATION OF THE SUMMARY (BENDROJI INFORMACIJA APIE VERTYBINIŲ POPIERIŲ PROSPEKTĄ)

1 skyrius – Preambulė ir Įspėjimai

<p>Preambulė</p> <p><u>Skolos vertybiniai popieriai</u></p> <p>11% neapdraustųjų obligacijų, kurių išpirkimo terminas – 2024 metų kovo 31 d., nominali vertė 2021 metų kovo 1 dienai – 30 000 000,00 EUR, ISIN LV0000802452 kodas.</p> <p><u>Emitentas</u></p> <p>Emitentas - AS „mogo“, pagal Latvijos Respublikos įstatymus įsteigta ir registruota Latvijos Respublikos Įmonių registre akcinė bendrovė, registracijos numeris 50103541751, oficiali buveinė adresu Ryga, Skanstes iela 52, LV-1013, Latvija, telefonas: +371 6690 0904. Emitento unikalus identifikacinis kodas (LEI): 213800DOKX626GYVOI32.</p> <p><u>Vertybinių popierių emisiją sankcionavusi kompetentinga institucija, patvirtinimo data</u></p> <p>2021 metų Vasario 2d Finansų ir kapitalo rinkos komisija (toliau tekste vadinama – „FKRK“) (adresas: Kungu iela 1, Ryga, Latvija, LV-1050, telefonas: +371 67774800, el. paštas: ftk@ftk.lv) sankcionavo šio Vertybinių popierių prospekte nurodytų obligacijų platinimą Rygos Nasdaq Baltijos biržos reguliuojamame rinkos segmente.</p>
<p>Įspėjimai</p> <p>Ši bendroji informacija pateikta kaip Vertybinių popierių prospekto preambulė.</p> <p>Bet koks sprendimas investuoti į vertybinius popierius investuotojo turi būti grindžiamas nagrinėjant Vertybinių popierių prospektą bendrai.</p> <p>Investuotojas gali prarasti visą kapitalą arba jo dalį.</p> <p>Tuo atveju, jeigu kreipiamasi į teismą su ieškiniu dėl Vertybinių popierių prospekte esančios informacijos, investuotojas iki teismo proceso pradžios pagal tarptautines normas turės atlyginti su Prospekto vertimu susijusias išlaidas.</p> <p>Administracinė atsakomybė gresia tik tiems asmenims, kurie pateikė bendrąją informaciją, įskaitant bet kokius šios informacijos vertimus ir aiškinimus, bet tik tuo atveju, jeigu informacija yra melaginga, netiksli arba prieštaringa, nagrinėjant ją kartu su kitomis Prospekto dalimis arba jeigu ji, kartu su visomis šio Prospekto dalimis, nesuteikia nagrinėjančiam klausimą dėl investavimo į tokius vertybinius popierius investuotojui pagrindinės pagalbos.</p>

2 skyrius - Emitentas

<p><i>Kas yra vertybinių popierių emitentas?</i></p> <p><u>Juridinis adresas, teisinė forma, įmonės kodas, atitinkama jurisdikcija</u></p> <p>Emitentas – AS „mogo“, pagal Latvijos Respublikos įstatymus įsteigta ir registruota Latvijos Respublikos Įmonių registre akcinė bendrovė, registracijos numeris 50103541751, oficiali buveinė adresu Ryga, Skanstes iela 52, LV-1013, Latvija, telefonas: +371 6690 0904. Emitento unikalus identifikacinis kodas (LEI): 213800DOKX626GYVOI32.</p> <p><u>Pagrindinės veiklos rūšys</u></p> <p>Pagrindinė emitento veiklos sritis – atgalinė transporto priemonių finansinė nuoma arba paskolos suteikimas užstatant klientui priklausančią transporto priemonę, arba finansinė transporto priemonių nuoma ir ilgalaikė nuoma per dukterinę įmonę AS Renti.</p> <p>Vadovaujantis 2020 m. birželio 27 d. naujos Emitento įstatų redakcijos 3 straipsniu su pataisomis ir remiantis 2020 m. birželio 27 d. akcininkų nutarimais, Emitentas vykdo šią ūkinę veiklą:</p> <ol style="list-style-type: none">8. Finansinė nuoma (NACE 64.91);9. Kitoks skolinimas (NACE 64.92);10. Kitų finansinių paslaugų teikimas, išskyrus draudimą ir pensijų programų, nesusijusių su kitomis kategorijomis, finansavimą (NACE 64.99);
--

11. Kita finansinių paslaugų srities pagalbinė veikla, išskyrus draudimą ir pensijų programų finansavimą (NACE 66.19);
 12. Automobilių ir lengvųjų automobilių pardavimas (NACE 45.11);
 13. Kitų transporto priemonių pardavimas (NACE 45.19);
 14. Draudikų ir brokerių veikla (NACE 66.22),
- taip pat kitokia ūkinė veikla, kuri neuždrausta pagal Latvijos Respublikos įstatymus.

Pagrindiniai akcininkai

Lentelėje nurodytos atitinkamos Emitento įstatinio kapitalo dalys šio Prospekto sudarymo dieną:

	Informacija apie dalių turėtojus	Dalys	%
1	AS Mogo Baltics and Caucasus	4,900,000	98%
2	SIA Tobago Capital	100,000	2%
	Suma	5,000,000	100%

Šio Prospekto sudarymo dieną Emitento beneficijas yra Aigars Kesenfelds, netiesiogiai valdantis 45.58749% balsavimo teisę turinčio Emitento kapitalo dalių.

Valdyba

Šiuo metu Emitento valdymo institucija yra Valdyba, kurią sudaro du valdybos nariai: p. Krišjanis Znotinš, paskirtas Valdybos pirmininku neapibrėžtam laikui, ir p. Aivis Lonskis, paskirtas Valdybos nariu neapibrėžtam laikui. Kiekvienas valdybos narys turi teisę atstovauti Emitentui atskirai.

Nepriklausomas auditorius

Emitento finansinių ataskaitų (t. y. audituotų Emitento ir jo konsoliduotų dukterinių įmonių konsoliduotų finansinių ataskaitų) už finansinius metus, kurie pasibaigia 2018 m. gruodžio 31 d. auditorius buvo SIA „Ernst&Young Baltic“, registruota pagal Latvijos Respublikos įstatymus, buveinė Muižas iela 1A, Ryga, LV-1010, registruota Latvijos Respublikos Juridinių asmenų registre, unikalus įmonės kodas 40003593454.

Emitento nepriklausomas auditorius už finansinius metus, kurie baigėsi 2019 m. gruodžio 31 d. ir šiuo metu Emitento nepriklausomas auditorius yra kompanija „KPMG Baltics AS“, įsteigta ir registruota pagal Latvijos Respublikos įstatymus, buveinės adresas Vesetas iela 7, Ryga, LV-1013, registruota Latvijos Respublikos Juridinių asmenų registre, unikalus įmonės kodas 40003235171.

Pagrindinė su Emitentu susijusi finansinė informacija

Toliau lentelėse pateikta atrinkta pagrindinė bendroji informacija apie Emitentą per (i) finansinius metus, kurie pasibaigė 2019 m. gruodžio 31 d. ir 2018 m. gruodžio 31 d. Šią informaciją auditorius pateikė iš konsoliduotos metinės ataskaitos už metus, kurie pasibaigė 2019 m. gruodžio 31 d. (įskaitant palyginimui finansinę informaciją už finansinius metus, kurie pasibaigė 2018 m. gruodžio 31 d.), parengtą vadovaujantis Europos Sąjungoje priimtais Tarptautiniais apskaitų standartais („TAS“), ir (ii) per devynių mėnesių laikotarpius, kurie pasibaigė 2020 m. rugsėjo 30 d. ir 2019 m. rugsėjo 30 d., kuri pateikta iš auditoriaus nepatikintos konsoliduotos tarpinės metinės ataskaitos už devynių mėnesių laikotarpį, kuris pasibaigė 2019 m. rugsėjo 30 d., parengtos vadovaujantis TAS principais dėl tarpinių finansinių ataskaitų pripažinimo, normų ir konsolidacijos.

Duomenys apie bendrąsias Emitento pajamas (mln., EUR)

EUR	2019 m. sausis, gruodis	2018 m. sausis, gruodis	2020 m. sausis, rugsėjis	2019 m. sausis, rugsėjis
Pajamos ¹	20.1	19.9	12.8	15.1

¹ Pajamos iš palūkanų sumos, pajamos iš automobilių nuomos ir mokėjimai, komisiniai mokesčiai, susiję su finansine nuoma ir nuomos sutartimi.

Grynasis pelnas per metus/laikotarpį	4.9	2.8	3.9	4.3
PPMNA (pelnas prieš palūkanas, mokesčius, nusidėvėjimą ir amortizaciją (angl. EBITDA) – vert.) ¹	9.9	6.9	7.0	7.8

Duomenys apie Emitento finansinę padėtį (mln., EUR)

EUR	2019 m. gruodžio 31 d.	2018 m. gruodžio 31 d.	2020 m. rugsėjo 30 d.
Grynasis paskolų portfelis ir nuomojamos technikos parkas	35.4	37.6	26.1
Bendras turtas	62.9	52.6	54.9
Bendras nuosavas kapitalas	8.0	6.8	11.9
Grynoji skola ²	48.0	42.9	36.9

Išrašas apie Emitento bendruosius pinigų srautus (mln. EUR)

EUR	2019 m. gruodžio 31 d.	2018 m. gruodžio 31 d.	2020 m. rugsėjo 30 d.	2019 m. rugsėjo 30 d.
Grynasis pinigų srautų judėjimas iš pagrindinės veiklos	26.4	(0.0)	15.5	19.4
Grynasis pinigų srautų judėjimas iš finansinės veiklos	2.5	0.1	(10.5)	4.4
Grynasis pinigų srautų judėjimas iš investavimo veiklos	(29.3)	(0.0)	(4.2)	(24.4)

Pagrindinės Emitentui būdingos rizikos

Pagrindinės Emitentui būdingos rizikos:

Galimų klientų kredito rizikų vertinimas: Nepaisant Emitento turimų kreditingumo ir transporto priemonių vertinimo modelių, yra rizika netinkamai įvertinti kiekvieno galimo užsakovo finansinę padėtį ir nustatyti jo arba jos kreditingumą ir/arba garantijos dydį. Emitento finansiniai sprendimai iš dalies grindžiami informacija, kurią pateikia pareiškėjai. Galimi klientai gali pateikti melagingą arba netikslią informaciją, kurios pagrindu, jeigu nepastebėta sukčiavimo veiksmų, Emitentas gali įvertinti kreditingumą. Bet kokia rizika netinkamai įvertinti galimų klientų kredito riziką pasitelkus netikslią informaciją, kurią apgaule pateikė klientas, gali neigiamai paveikti Emitento verslą ir pabloginti jo finansinę padėtį, darbo rezultatus, perspektyvas ir pinigų srautus, taip pat gali sukelti sankcijas (įskaitant baudas ir delspinigius, veiklos stabdymą ir licencijų atšaukimą iš Emitento).

Kontrahento įsipareigojimų nevykdymo rizika: Rizika, kad Emitento klientas arba kiti kontrahentai nevykdys savo įsipareigojimus arba pablogės Emitento kliento arba kitų kontrahentų kreditingumas, kas gali neigiamai paveikti

¹ EBITDA paskirstymas pateiktas skilties "Atrinkta Emitento finansinė informacija ir veiklos duomenys" dalyje "Kiti Emitento finansiniai duomenys (EBITDA)*".

² Grynoji skola nurodyta skilties "Atrinkta Emitento finansinė informacija ir veiklos duomenys" dalyje "Grynoji Emitento skola".

Emitento veiklos rezultatus. COVID-19 pandemija stipriai paveikė Koncerno veiklą ir padidino kontrahentų kreditingumo rizikos įtaką Emitento veiklai.

Likutinės vertės arba pajamų iš gražintų transporto priemonių pardavimo sumažėjimas: Likutinės vertės arba pajamų iš gražintų transporto priemonių pardavimo sumažėjimas gali stipriai neigiamai paveikti Emitento finansinės nuomos garantijų kainą, pardavimus pagal atgalinio lizingo sandorius.

Likvidumo rizika: Emitentui turi įtakos likvidumo rizika dėl vėlavimo vykdyti mokėjimus už turtą ir įsipareigojimus. Jeigu trumpalaikis ir ilgalaikis finansavimas iš tarptautinių kapitalo rinkų neprieinamas arba mokėjimų laikas nesutampa su turto ir įsipajirojimų atsiradimo laiku, tokios aplinkybės gali neigiamai paveikti Emitento verslą, jo finansinę padėtį, darbo rezultatus, perspektyvas arba pinigų srautus.

3 skyrius – Vertybiniai popieriai

Pagrindinės vertybinių popierių charakteristikos

Tipas, klasė arba ISIN kodas

11% neapdraustųjų obligacijų, kurių išpirkimo terminas – 2024 metų kovo 31 d., už bendrą nominalią vertę 30 000 000,00 EUR („**Obligacijos**“), apmokamų pareikalavus, ISIN LV0000802452 kodas.

Obligacijų kiekis, vertė, valiuta ir laikas

30.000 Obligacijų, kurių kiekvienos nominali vertė 1 000,00 EUR, laikotarpiu nuo 2021 m. kovo 1 d. iki 2024 m. kovo 31 d.

Obligacijų suteikiamos teisės

Už Obligacijas bus mokama 11 proc. metinių palūkanų nuo (imtinai) 2021 m. kovo 1 d. iki 2024 m. kovo 31 d. Palūkanos sumokamos kartą per mėnesį paskutinę mėnesio dieną. Pirmas palūkanų mokėjimas įvyks 2021 m. kovo 31 d., paskutinis palūkanų mokėjimas įvyks 2024 m. kovo 31 d. Užfiksuota palūkanų norma už Obligacijas – 11 proc. palūkanų per metus.

Garantas besąlygiškai ir neatšaukiamai garantuoja Obligacijas.

Obligacijų statusas ir klasifikavimas

Obligacijoms taikomi Latvijos Respublikos įstatymai ir pagal taikomus Latvijos Respublikos įstatymus tai yra parieškinės obligacijos. Šios Obligacijos yra tiesioginiai, besąlyginiai, nesubordinuoti ir negarantuoti Emitento įsipareigojimams, kurie visada bus laikomi *pari passu* (lygiaverčiai) kitiems garantu neužtikrintiems dabartiniams arba būsimiems Emitento įsipareigojimams ir virš viso to esamoms ir būsimoms subordinuotoms skoloms.

Obligacijų perleidimas

Obligacijos yra laisvai perleidžiamos, tačiau bet kuris Turėtojas, norintis perleisti Obligacijas, privalo užtikrinti, kad toks perleidimas nebūtų kvalifikuojamas, kaip atviras pasiūlymas, kaip tai numatyta pagal įstatymą. Vadovaujantis skolos vertybinių popierių sąlygomis, Turėtojas privalo ir yra atsakingas už tai, kad bet koks Obligacijų siūlymas nebūtų laikomas atviru pasiūlymu pagal įstatymo reikalavimus.

Kur bus platinami skolos vertybiniai popieriai?

Obligacijos bus platinamos rinkos segmente, kurį reguliuota Rygos Nasdaq Baltijos birža, už bendrą nominalią vertę EUR 30.000.000,00, kurių kiekvienos nominali vertė yra EUR 1.000,00.

Ar ir kaip garantuojami skolos vertybiniai popieriai?

Garantijos ir jų dydis

Garantas besąlygiškai ir neatšaukiamai garantuoja, kad pagrindinė suma, palūkanos ir kitos Emitento mokėtinos sumos už Obligacijas bus mokamos laiku ir punktualiai.

Garanto apibūdinimas

Mogo Finance S.A – atvirojo tipo akcinė bendrovė (société anonyme), kuri įsteigta ir veikia pagal Liuksemburgo Didžiosios Hercogystės įstatymus, registruota Liuksemburgo Prekybos ir pramonės rūmuose (Registre de Commerce et des Sociétés de Luxembourg) numeriu B.174457 ir oficialiai registruota kaip juridinis asmuo adresu 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg.: +352 26 186 526, faksas: +352 26 84 54 10. Garanto unikalus identifikacinis kodas (LEI) 894500N14T2GUDX0FL66.

Pagrindinės veiklos sritys

Vadovaujantis Garanto 2016 m. birželio 6 d. Įstatų (statuts coordonnés) 3 straipsniu su 2018 m. spalio 12 d. akcininkų nutarimu priimtais pakeitimais ir 2019 m. spalio 29 d. akcininkų nutarimais, Garanto tikslas – investavimas, įsigijimas ir dalyvavimas bet kokios formos Liuksemburgo ir užsienio kompanijose arba organizacijose, kurių tikslai panašūs į Garanto tikslus ir dalyvaujant pirkti, investuoti, įsigyti, opcionų būdu arba kaip kitaip teises, dalyvavimą, patentus, prekes ženklus ir licencijas, kitą nuosavybę Garanto nuožiūra ir valdyti, turėti, plėsti, suvaržyti, parduoti arba perleisti juos, iš dalies arba bendrai už atlygį, kuris atitinka Garanto korporatyvinius interesus. Garantas taip pat turi teisę sudaryti bet kokius finansinius, komercinius arba kitokius sandorius ir suteikti bet kokiai kompanijai arba organizacijai, įeinančiai į Koncerno, į kurią įeina Garantas, sudėtį arba kuri bet koku būdu priklauso Garantui, įskaitant kompanijas arba organizacijas, kuriose Garantas turi tiesioginio arba netiesioginio intereso, bet kokią pagalbą, teikti paskolą, kreditą arba užtikrinti arba garantuoti tretiesiems asmenims jų įsipareigojimus, taip pat skolinti arba rinkti bet koku būdu lėšas ir bet koku būdu užtikrinti skolintų pinigų grąžą. Be to, garantas turi teisę vykdyti bet kokius veiksmus, kurie tiesiogiai susiję su jo tikslais, kad šie tikslai būtų pasiekti. Garanto ir jo Koncerno kompanijų, įskaitant Emitentą („**Koncernas**“), specializacija – naudotų automobilių finansavimas.

Pagrindiniai akcininkai

Lentelėje nurodytos atitinkamos Garanto įstatiniame kapitale esančios dalys šio Prospekto sudarymo dieną:

	Informacija apie dalių turėtojus	Dalys	%
1	SIA AK Family Investments (Latvija)	45,587,491	45.58749%
2	AS Novo Holdings (Latvija)	15,229,035	15.22904%
4	AS Obelo Capital (Latvija)	15,229,237	15.22924%
5	LVS Limited (Malta)	15,229,237	15.22924%
	Suma	91,275,000	91.27500%

Šio prospekto dieną Garanto ir Emitento beneficijas yra Aigars Kesenfelds, kuriam tiesiogiai ir netiesiogiai priklauso 45.58749% balsavimo teisę turinčio Garanto kapitalo. Kitą balsavimo teisę turintį Garanto kapitalą kontroliuoja dabartiniai ir buvę Koncerno darbuotojai.

Pagrindinės valdymo institucijos

Šiuo metu Garanto valdymo institucijos yra direktorių valdyba, kurią sudaro du A tipo direktoriai ir du B tipo direktoriai, tai Modestas Sudnius, direktorius A, Maris Kreics, direktorius A, Delfin Glessinger, direktorius B, Atila Senig, direktorius B. visi jie paskirti laikotarpiu, kuris pasibaigia per kasmetinį Garanto susirinkimą, kuris įvyks 2022 metais.

Nepriklausomas auditorius

Koncerno metinių ataskaitų (tai yra Garanto ir jo filialų finansinių ataskaitų tikrinimą) už finansinius metus, kurie baigėsi 2019 m. gruodžio 31 d., auditą atliko kompanija KPMG Luxembourg, atvirojo tipo akcinė bendrovė, įsteigta ir veikianti pagal Liuksemburgo Didžiosios Hercogystės įstatymus, oficialiai registruota kaip juridinis asmuo adresu 39, Avenue John F.Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg, ir registruota Liuksemburgo Prekybos ir pramonės rūmuose numeriu B 149133.

Pagrindinė informacija apie Garanta

Garantas – tai pagrindinė Koncerno motininės įmonės kompanija, į kurią įeina Emitentas. Toliau lentelėse pateikta atrinkta pagrindinė Koncerno informacija per (i) finansinius metus, kurie pasibaigė 2019 m. gruodžio 31 d. ir 2018 m. gruodžio 31 d. Šią informaciją auditorius pateikė iš konsoliduotos metinės ataskaitos už metus, kurie pasibaigė 2019 m. gruodžio 31 d. (įskaitant palyginimui finansinę informaciją už finansinius metus, kurie pasibaigė 2018 m. gruodžio 31 d.), parengtą pagal Europos Sąjungoje priimtus Tarptautinius apskaitų standartus („**TAS**“), ir (ii) per devynių mėnesių laikotarpius, kurie pasibaigė 2020 m. rugsėjo 30 d. ir 2019 m. rugsėjo 30 d., kuri pateikta iš auditoriaus nepatikintos konsoliduotos tarpinės metinės ataskaitos už devynių mėnesių laikotarpį, kuris pasibaigė 2019 m. rugsėjo 30 d., parengtos vadovaujantis TAS principais dėl tarpinių finansinių ataskaitų pripažinimo, normų ir konsolidacijos.

Garanto bendrųjų pajamų išrašas (mln. EUR)

EUR	2019 m. sausis, gruodis	2018 m. sausis, gruodis	2020 m. sausis, rugsėjis	2019 m. sausis, rugsėjis
Pajamos ¹	80.2	56.9	67.8	58.3
Grynasis pelnas per metus/laikotarpį	6.6	4.6	(7.0)	5.1
PPMNA ²	32.8	21.9	24.5	22.8

Duomenys apie Garanto finansinę padėtį (mln., EUR)

EUR	2019 m. gruodžio 31 d.	2018 m. gruodžio 31 d.	2020 m. rugsėjo 30 d.
Grynasis paskolų portfelis ir nuomojamos technikos parkas	189.7	141.3	191.8
Bendras turtas	253.6	174.3	264.8
Bendras nuosavas kapitalas	29.1	17.8	27.1
Grynoji skola ³	206.9	143.9	213.6

Konsoliduota Garanto pinigų srautų apžvalga (mln. EUR)

EUR	2019 m. gruodžio 31 d.	2018 m. gruodžio 31 d.	2020 m. rugsėjo 30 d.	2019 m. rugsėjo 30 d.
Grynasis pinigų srautų judėjimas iš pagrindinės veiklos	(35.0)	(27.4)	20.1	(26.5)
Grynasis pinigų srautų judėjimas iš finansinės veiklos	60.4	43.3	(10.0)	48.6
Grynasis pinigų srautų judėjimas iš investavimo veiklos	(23.3)	(14.4)	(7.0)	(25.0)

Pagrindiniai Garantui būdingų rizikų veiksniai

Pirkdami Obligacijas investuotojai prisiima riziką, kad Emitentas gali tapti nemokiu arba kaip kitaip prarasti galimybę vykdyti visus su Obligacijomis susijusius mokėjimus. Yra platus veiksmų, kurie atskirai arba bendrai gali sukelti Emitento negebėjimą vykdyti visus reikiamus mokėjimus, spektras. Tokius veiksmus identifikuoti neįmanoma ir neįmanoma nustatyti, kokie veiksniai gali įsigalioji, nes Emitentas gali nežinoti visų ir konkrečių veiksmų, kurie šiuo metu laikomi nesvariais, tačiau kurie gali tapti svariais įsigaliojus tam tikroms aplinkybėms, kurios nepriklauso nuo Emitento valios. Emitentas identifikavo kai kuriuos veiksmus, kurie gali stipriai neigiamai paveikti Emitento verslą ir jo gebėjimą vykdyti reikiamus mokėjimus. Šie veiksniai yra:

a. Su Koncerno ūkine veikla ir sritimi susijusi rizika

Paskolų rizikos vertinimas: Nepaisant Koncerno turimų kreditavimo ir transporto priemonių vertinimo modelių, yra rizika netinkamai įvertinti kiekvieno galimo užsakovo finansinę padėtį ir nustatyti jo arba jos kreditavimą ir/arba užstato dydį. Koncerno finansiniai sprendimai iš dalies grindžiami informacija, kurią pareikia pareiškėjai. Galimi klientai gali patiekti melagingą arba netikslią informaciją, kurios pagrindu, jeigu nepastebėta sukčiavimo veiksmų,

¹ Pajamos iš palūkanų, komisinių mokesčių ir su pajamomis, finansine nuoma susiję komisiniai mokesčiai ir pajamos iš nuomos.

² EBITDA paskirstymas pateiktas skilties "Atrinkta Garanto finansinė informacija ir veiklos duomenys" dalyje "Kiti Garanto finansiniai duomenys (EBITDA)".

³ Grynoji skola nurodyta skilties "Atrinkta Garanto finansinė informacija ir veiklos duomenys" dalyje "Grynoji Garanto skola".

Koncernas gali įvertinti kreditingumą. Bet kokia rizika netinkamai įvertinti galimų klientų kredito riziką pasitelkus netikslią informaciją, kurią apgaule pateikė klientas, gali neigiamai paveikti Koncerno verslą ir pabloginti jo finansinę padėtį, darbo rezultatus, perspektyvas ir pinigų srautus, taip pat gali sukelti sankcijas (įskaitant baudas ir delspinigius, veiklos stabdymą ir licencijų atšaukimą iš Koncerno).

Kontrahento įsipareigojimų nevykdymo rizika: Rizika, kad Koncerno klientas arba kiti kontrahentai nevykdys savo įsipareigojimus arba pablogės kliento arba kitų kontrahentų kreditingumas, kas gali neigiamai paveikti mūsų veiklos rezultatus. COVID-19 pandemija stipriai paveikė Koncerno veiklą ir padidino kontrahentų kreditingumo rizikos įtaką Koncerno veiklai.

Likutinės vertės arba pajamų iš gražintų transporto priemonių pardavimo sumažėjimas: Likutinės vertės arba pajamų iš gražintų transporto priemonių pardavimo sumažėjimas gali stipriai neigiamai paveikti Emitento finansinės nuomos garantijų kainą, pardavimus pagal atgalinio lizingo sandorius.

Valiutos svyravimo rizika: Koncernas veikia skirtingose jurisdikcijose ir teikia kreditavimo produktus nacionalinėmis valiutomis, įskaitant eurus, Bulgarijos levus, Gruzijos larius, Lenkijos zlotus, Rumunijos lėjas, Moldavijos lėjas, Albanijos lekus, Armėnijos dramus ir Baltarusijos rublius, Kazachstano tenges, Uzbekijos sumus, Kenijos šilingus, Ugandos šilingus, Bosnijos ir Hercegovinos markes, Makedonijos dinarus ir Ukrainos grivinas. Taigi Koncerno darbo rezultatams įtakos turi valiutos kurso svyravimai ir bet kokia valiutos svyravimo nesėkmė gali stipriai paveikti Koncerno veiklą, finansinę padėtį, darbo rezultatus, perspektyvas arba pinigų srautus.

b. Su Koncerno finansine padėtimi susijusios rizikos

Apyvartinių lėšų poreikio pasikeitimas: Mūsų poreikis turėti apyvartines lėšas gali keistis nuo rinkos prie rinkos, priklausomai, iš dalies, nuo naudotų automobilių finansavimo paklausos skirtumų. Jeigu nepakaks turimų piniginių srautų nuo veiklos nuolatiniam poreikiui turėti grynuosius pinigus patenkinti, mums teks pasikliauti grynaisiais pinigais ir turimomis skolintomis lėšomis tokiems poreikiams patenkinti, taip pat galimais papildomo kapitalo šaltiniais.

Žemas kapitalizacijos koeficientas: Šiuo metu mes turime didelę dalį skolintų piniginių lėšų. Šiuo metu grupės tikslas - pritraukti trečiųjų šalių, t. y. viešųjų arba privačių akcijų rinkų, kapitalą. Mes galime neturėti galimybės gauti papildomą finansavimą ateityje, kad būtų atstatytas aukšto lygio balansas bet kokio kito įsiskolinimo, o tai gali labai neigiamai paveikti mūsų verslą, finansinę padėtį, perspektyvas arba piniginius srautus ir gebėjimą vykdyti savo įsipareigojimus pagal Obligacijas.

Likvidumo praradimo rizika: Koncernui turi įtakos likvidumo rizika dėl vėlavimo vykdyti mokėjimus už turtą ir įsipareigojimus. Jeigu trumpalaikis ir ilgalaikis finansavimas iš tarptautinių kapitalo rinkų neprieinamas arba mokėjimų laikas nesutampa su turto ir įsipareigojimų atsiradimo laiku, tokios aplinkybės gali neigiamai paveikti Koncerno verslą, jo finansinę padėtį, darbo rezultatus, perspektyvas arba pinigų srautus.

c. Teisinė rizika

Nepaisymas antikorupcinių įstatymų, įskaitant įstatymus dėl kovos su papirkimu, gali būti baudų ir sankcijų priežastis, kuri turės neigiamos įtakos mūsų reputacijai ir verslui.

d. Vidaus kontrolės sistemos rizika

Mūsų beneficiarų interesai gali kirstis su Turėtojų interesais: Koncerną kontroliuoja keletas fizinių asmenų. Galutinių beneficiarų interesai, esant tam tikroms aplinkybėms, gali kirstis su Turėtojų interesais, o būtent, jeigu Koncernas patiria finansinių sunkumų arba jeigu mes negalime laiku apmokėti savo skolų. Galutiniai beneficiarai taip pat gali būti suinteresuoti tęsti finansinius arba kitokius sandorius, kurie, jų nuomone, gali didinti jų investicijų dalis, nepaisant to, kad tokie sandoriai gali padidinti Koncerno įsiskolinimą, gali reikalauti, kad Koncernas parduotų turtą arba kaip kitaip ir tai gali neigiamai veikti mūsų gebėjimą vykdyti mokėjimus pagal Obligacijas. Bet koks galimas kontroliuojančio akcininko arba galutinio beneficiaro, iš vienos pusės ir Turėtojo, iš kitos pusės, interesų konfliktas gali stipriai neigiamai veikti Obligacijų vertę.

Pagrindinės vertybiniais popieriais būdingos rizikos

b. Su obligacijų charakteristikomis susijusi rizika

Koncerno negebėjimas generuoti pakankamai grynujų piniginių lėšų: Koncernas gali prarasti galimybę palaikyti piniginių srautų nuo veiklos lygį, kurio pakaktų pagrindinei sumai, premijai išmokėti, jeigu numatyta, palūkanoms ir netesyboms išmokėti, jeigu numatyta, savo skoloms, įskaitant paskolomis užtikrintas Obligacijas, mokėti.

Negebėjimas apmokėti arba išpirkti Obligacijas laiku: Įsigaliojus nustatytam terminui visa pagrindinė suma už Obligacijas, kartu su paskaičiuotomis ir nesumokėtomis palūkanomis, turi būti sumokėta. Koncertas gali prarasti galimybę išmokėti arba refinansuoti tokius įsipareigojimus.

4 skyrius – Pasiūlymas ir įtraukimas į kotiruojamų skolos vertybinių popierių sąrašą

Vertybinių popierių prospekto parengimo priežastis

Obligacijos sudaro Emitento finansuojamos skolos dalį kapitalo rinkose ir šis Prospektas parengtas siekiant platinti Obligacijas rinkos segmente, kurį reguliuoja Rygos Nasdaq Baltijos birža, pagal nustatytus terminus ir Sąlygas. Emitentas ketina panaudoti grynąsias pajamas nuo Obligacijų emisijos, kurios sudaro 30 000 000 EUR, dabartinėms Emitento skoloms refinansuoti:

3. 2014 m. spalio 13 d. Emitentas išleido 10% vekselių, kurių suma sudaro 20 mln. EUR, su apmokėjimo terminu 2021 m. kovo 31 d., ISIN LV0000801363 („**Vekseliai Nr. 1**“). Vekseliai Nr. 1 platinami Rygos Baltijos biržos reguliuojamoje rinkoje.
4. 2017 m. lapkričio 27 d. Emitentas išleido dar 10% vekselių, kurių suma sudaro 10 mln. EUR, su apmokėjimo terminu 2021 m. kovo 31 d., ISIN LV0000880029 („**Vekseliai Nr. 2**“). Vekseliai Nr. 2 platinami daugiašalėje prekybos sistemoje (DPS) „First North“, kurią valdo Nasdaq Ryga.

Vekselių Nr. 1 ir Vekselių Nr. 2 apmokėjimo terminas – 2021 m. kovo 31 d. 2020 m. rugsėjo 30 d. pagrindinė nesumokėta suma ir paskaičiuotos palūkanos už Vekselius Nr. 1 ir Vekselius Nr. 2 sudaro 30 mln. EUR.

Obligacijos emituojamos be susitarimo. Nėra esminių interesų konfliktų, susijusių su Obligacijų platinimu rinkos segmente, kurį reglamentuoja Rygos Nasdaq Baltijos birža.

IV. ESTONIAN TRANSLATION OF THE SUMMARY (PROSPEKTI KOKKUVÕTE)

1. jagu - sissejuhatus ja hoiatused

Sissejuhatus

Väärtpaberid

11% tagatiseta võlakirju, mille tähtaeg on 31. märts 2024, põhisummana 30 000 000,00 eurot 1 märts 2021 ISIN-iga LV0000802452.

Emitent

Emitent on AS "mogo", Läti Vabariigi seaduste alusel asutatud ja olemasolev aktsiaselts (*Akciju Sabiedrība*), mis on registreeritud Läti Vabariigi Ettevõtete Registris (*Latvijas Republikas Uzņēmumu Reģistrs*) numbri 50103541751 all ja millel on registreeritud büroo asukohaga aadressil Skanstes iela 52, Rii, LV-1013, Läti. Selle telefoninumber on +371 6690 0904. Emitendi juriidiline tunnus (LEI) on 213800DOKX626GYVOI32.

Prospekti ja heakskiitmise kuupäeva kinnitav pädev asutus

Selleks, et võlakirjad võetaks kauplemisele Nasdaq Riga Balti võlakirjade nimekirja (Baltic Bond List) poolt reglementeeritud turusegmenis, on Läti finants- ja kapitaliturgude komisjon (läti keeles - *Finanšu un kapitāla tirgus komisija*) (edaspidi "FCMC"), aadressiga Kungu iela 1, Rii, Läti, LV-1050 käesoleva prospekti kinnitanud 2. veebruar 2021. Selle telefoninumber on +371 67774800 ja e-posti aadress on fktk@fktk.lv.

Hoiatused

käesolevat kokkuvõtet tuleks lugeda prospekti sissejuhatuseks.

Väärtpaberitesse investeerimise otsus peaks põhinema investori kaalutlusel prospekti, kui terviku suhtes.

Investor võib kaotada kogu investeeritud kapitali või osa sellest.

Kui prospektis sisalduva teabega seotud nõue esitatakse kohtule, võib hageja investor enne kohtumenetluse algatamist siseriikliku õiguse kohaselt kanda prospekti tõlkimisega seotud kulud.

Tsiviilvastutus on seotud ainult isikutega, kes on esitanud kokkuvõtte koos selle mistahes tõlkega, kuid ainult juhul, kui kokkuvõtte on eksitav, ebatäpne või ebajärjekindel, kui seda loetakse koos prospekti muude osadega või kui see ei paku juhul, kui seda lugeda koos teiste prospekti osadega, põhiteavet, aitamaks investoritel kaalutleda, kas tasub sellistesse väärtpaberitesse investeerida.

2. jagu - Emitent

Kes on väärtpaberite Emitent?

Alaline asukoht, õiguslik vorm, LEI, asjakohane jurisdiktsioon

AS "mogo", Läti Vabariigi seaduste alusel asutatud ja olemasolev aktsiaselts (*Akciju Sabiedrība*), mis on registreeritud Läti Vabariigi Ettevõtete Registris (*Latvijas Republikas Uzņēmumu Reģistrs*) numbri 50103541751 all ja millel on registreeritud büroo asukohaga aadressil Skanstes iela 52, Rii, LV-1013, Läti, on Emitent. Selle telefoninumber on +371 6690 0904. Emitendi juriidiline tunnus (LEI) on 213800DOKX626GYVOI32.

Põhitegevus

Emitendi peamine tegevusala on sõidukite rentimine või laenu andmine kliendile juba kuuluva sõiduki tagatisel, sõidukite kapitalirent ja tütarettevõtte AS Renti kaudu ka pikaajaline rent.

Vastavalt emitendi 27. juuli 2020. aasta muudetud põhikirja (*Statūti*) artiklile 3, mida on muudetud 27. juuli 2020. aasta aktsionäride otsuste kohaselt, tegeleb Emitent põhitegevusega järgmiselt:

15. Kapitalirent(NACE 64.91);
16. Muu krediidi andmine (NACE 64.92);
17. Muu finantsteenuste alane tegevus, välja arvatud mujal klassifitseerimata kindlustus ja pensionifondid (NACE 64.99);
18. Muu finantsteenuste abitegevus, välja arvatud kindlustus ja pensionifondid (NACE 66.19);
19. Autode ja väikeste mootorsõidukite müük (NACE 45.11);
20. Muude mootorsõidukite müük (NACE 45.19);
21. Kindlustusagentide ja -maaklerite tegevus (NACE 66.22), samuti muu Läti Vabariigi seadustega lubatud äritegevus.

Suuraktsionärid

Alljärgnevas tabelis on esitatud Emitendi asjakohane osalus käesoleva prospekti kuupäeval:

	Omanikfirma nimetus	Aktsiate arv	%
1	AS Mogo Baltics and Caucasus	4,900,000	98%
2	SIA Tobago Capital	100,000	2%
	Summa	5,000,000	100%

Käesoleva prospekti kuupäeva seisuga on Emitendi tegelik omanik Aigars Kesenfelds, kellele kuulub kaudselt 45,58749% emitendi hääleõiguslikust aktsiakapitalist.

Juhatus

Emitenti juhib praegu juhatus, kuhu kuulub kaks juhatuse liiget: hr Krišjānis Znotiņš, kes on määratud piiramata ajaks juhatuse esimeheks, ja hr Aivis Lonskis, kes on nimetatud juhatuse liikmeks. piiramatuks ajaks, ja kumbki neist esindab Emitenti ainuisikuliselt (iseseisvalt).

Vannutatud audiitor

Emitendi raamatupidamise aastaaruande (st Emitendi ja tema konsolideeritud tütarettevõtete auditeeritud konsolideeritud raamatupidamise aastaaruande) vannutatud audiitorid 31. detsembri 2018 seisuga, selleks kuupäevaks lõppenud majandusaastate eest oli SIA "Ernst & Young Baltic", mis on asutatud Läti Vabariigi seaduste alusel ja mille registrijärgne asukoht on Muižas iela 1A, Rīga, LV-1010, Läti ja mis on registreeritud Läti Vabariigi Ettevõtete registris (*Latvijas Republikas Uzņēmumu Reģistrs*) numbri 40003593454 all.

Emitendi praegune vannutatud auditor 31. detsembril 2019 lõppenud majandusaasta eest praegune vannutatud auditor on Läti Vabariigi seaduste alusel asutatud „KPMG Baltics AS”, mille registrijärgne asukoht on Vesetas iela 7, Rīga, LV-1013 ja mis on registreeritud Läti Vabariigi Ettevõtete Registris. (*Latvijas Republikas Uzņēmumu Reģistrs*) numbri 40003235171 all.

Mis on Emitendi peamine finantsteave?

Alljärgnevides tabelites on esitatud emitendi peamine valitud konsolideeritud finantsteave (i) majandusaastate kohta, mis lõppesid 31. detsembril 2019 ja 31. detsembril 2018, nende kuupäevade seisuga ja nende kohta. See teave on saadud emitendi auditeeritud konsolideeritud finantsaruannetest 31. detsembril 2019 lõppenud aasta kohta selle kuupäeva seisuga. (sh võrdlev finantsteave 31. detsembril 2018 lõppenud majandusaasta kohta selle kuupäeva seisuga), mis on koostatud vastavalt Euroopa Liidu poolt vastu võetud rahvusvaheliste finantsaruandluse standarditele (IFRS), ja (ii) 30. septembril 2020 ning 30. septembril 2019 lõppenud üheksa kuu perioodide kohta nende kuupäevade seisuga, mis tulenesid 30. septembril 2019 lõppenud üheksa kuu perioodi auditeerimata konsolideeritud vahearuandest, mis on koostatud finants-vahearuandluse suhtes kohaldatavate IFRSi kajastamis-, mõõtmis- ja konsolideerimis- ja vahendite alusel.

Emitendi valitud koondkasumi andmete aruanne (miljonit EUR)

EUR	Jaan- Dets 2019	Jaan-Dets 2018	Jaan- Sept 2020	Jaan- Sept 2019
Tulu ¹	20.1	19.9	12.8	15.1
Aasta / perioodi puhaskasum	4.9	2.8	3.9	4.3
EBITDA ²	9.9	6.9	7.0	7.8

Emitendi valitud finantsseisundi andmete aruanne (miljonit EUR)

EUR	Dets 31, 2019	Dets 31, 2018	Sept 30, 2020
Netolaenuportfell ja rendiautode park	35.4	37.6	26.1
Vara kokku	62.9	52.6	54.9
Omakapital kokku	8.0	6.8	11.9
Netovõlg ³	48.0	42.9	36.9

Valitud konsolideeritud Emitendi rahavoogude aruande andmed (miljonites eurodes)

EUR	Dets 31, 2019	Dets 31, 2018	Sept 30, 2020
Neto rahavood põhitegevusse / põhitegevusest	26.4	(0.0)	15.5
Neto rahavood finantseerimis- tegevusse / finantseerimisest	2.5	0.1	(10.5)
Investeeringute netorahavood	(29.3)	(0.0)	(4.2)

Millised on peamised riskid, mis on Emitendile omased?

Emitendile omased peamised riskid on järgmised:

Raskused potentsiaalsete klientide krediidiriski hindamisel: Vaatamata Emitendi krediidiskoorile ja sõiduki hindamise mudelitele ei pruugi see olla võimeline õigesti hindama iga potentsiaalse kliendi praegust finantsseisundit ja määrama tema krediivõimelisust ja / või tagatise väärtust. Emitendi finantseerimisotsused põhinevad osaliselt taotlejate esitatud teabel. Potentsiaalsed kliendid võivad talle pettusega anda ebatäpset teavet, mille põhjal võib Emitent oma krediidiskoori arvestada, kui pettusest ei teavitata. Potentsiaalsete klientide krediidiriski õigesti hindamata jätmine, mis tuleneb Emitendi kliendihinnangu ebaõnnestumisest või kliendi poolt pettusega edastatud ebaõigest teabest, võib avaldada olulist kahjulikku mõju Emitendi ärile, finantsseisundile, tegevuse tulemustele, väljavaadetele või rahavoogudele ja võib isegi kaasa tuua regulatiivseid sanktsioone (sealhulgas trahvide ja karistuste määramist, tegevuse peatamist või Emitendi litsentside tühistamist).

Vastaspoole maksejõuetuse risk: Emitent on avatud riskile, et Emitendi kliendid või muud lepingulised osapooled võivad rikkuda kohustusi või et Emitendi klientide või muude lepinguliste osapoolte krediitkvaliteet võib halveneda. Selle tagajärjel võivad Emitendi tegevuse tulemused kahjustuda. COVID-19 pandeemia on oluliselt mõjutanud Grupi äritegevust ja suurendanud tema kokkupuudet vastaspoole krediidiriskiga.

¹ Intressitulu summa, tulu autode rentimisest ning finantseerimise ja rendimaksetega seotud teenustasud ja vahendustasud

² EBITDA jaotuse leiade jaotisest „Emitendi valitud finantsteave ja tegevusandmed“ osas „Emitendi muud finantsandmed (EBITDA)“

³ Netovõlgade jaotuse kohta vaadake jaotise „Emitendi valitud finantsteave ja tegevusandmed“ osa „Emitendi netovõlg“

Tagastatud sõidukite jääkväärtuse või müügitulu vähenemine: Tagastatud sõidukite jääkväärtuse või müügitulu vähenemisel võib olla oluline negatiivne mõju Emitendi kapitalirendi ning müügi ja tagatisrendi tagatise väärtusele.

Likviidsusriskid: Emitent on avatud likviidsusriskidele, mis tulenevad tema varade ja kohustuste tähtsajalisuse erinevustest, mis võib takistada tal kohustusi õigeaegselt täita. Kui lühiajaline ja eriti pikaajaline rahastamine rahvusvahelistelt kapitaliturgudelt pole kättesaadav või kui esineb erinevusi tema varade ja kohustuste tähtaegades, võib see avaldada olulist ebasoodsat mõju tema ärile, finantsseisundile, tegevuse tulemustele, väljavaadetele või sularahavoogudele.

3. jagu - Väärtpaberid

Mis on väärtpaberite peamised omadused?

Tüüp, klass ja ISIN

11% tagatiseta võlakirju, mille tähtaeg on 31. märts 2024 ja mille põhisumma on 30 000 000,00 eurot (edaspidi "võlakirjad"), mis makstakse esitajale koos ISIN-iga LV0000802452.

Võlakirjade arv, nimiväärtus, valuuta ja tähtaeg

30 000 võlakirja nimiväärtusega 1 000,00 eurot, tähtajaga 1. märts 2021 kuni 31. märts 2024.

Võlakirjadega seotud õigused

Võlakirjad kannavad intressi ajavahemikul, alates (ja kaasa arvatud) 1. märtsist 2021 kuni 31. märtsini 2024 määraga 11 protsenti aastas. Intressi makstakse kord kuus kuu viimasel päeval. Esimene intressimakse tehakse 31. märtsil 2021, viimane intressimakse aga 31. märtsil 2024. Võlakirjade intressimäär on fikseeritud 11 protsendile aastas.

Võlakirjad on garanteeritud tingimusteta ja pöördumatult Garandi poolt.

Võlakirjade staatus ja paremusjärjestus

Võlakirju reguleerib Läti Vabariigi seadus ja need on esitajavõlakirjad vastavalt Läti Vabariigis kehtivatele seadustele. Võlakirjad kujutavad endast Emitendi otseseid, üldisi, tingimusteta, allutamata ja tagamata kohustusi ning need on alati makseõiguslikult *pari passu* kõigi teiste Emitendi praeguste ja tulevaste tagamata kohustustega ning olulisem kõigist tema olemasolevatest ja tulevastest allutatud võlgadest.

Võlakirjade ülekantavus

Võlakirjad on vabalt ülekantavad, kuid kõik Võlakirju üle anda soovivad omanikud peavad tagama, et sellise ülekandega seotud pakkumisi ei kvalifitseeritaks avaliku pakkumisena kehtiva seaduse kohaselt. Võlakirjade tingimuste kohaselt on omaniku kohustus ja vastutus tagada, et võlakirjade mis tahes pakkumine ei kuulu kehtiva seaduse alusel avaliku pakkumise mõiste alla. Võlakirjad on vabalt ülekantavad, kuid omanike suhtes võivad kehtida võlakirjade ostu- või üleandmise piirangud, mis on aeg-ajalt jõus, vastavalt kohalikele seadustele, millede subjektiks omanik võib olla.

Kus väärtpaberitega kaubeldakse?

Võlakirjad võetakse kauplemisele Nasdaq RiiA reguleeritud turu ametlikus Balti võlakirjade nimekirjas (Baltic Bond List) põhisummas kokku 30 000 000,00 eurot nominaalväärtusega 1 000,00 eurot/tk.

Kas väärtpaberid on garanteeritud?

Garantii olemus ja ulatus

Garantii andja on andnud tingimusteta ja tühistamatu garantii põhisumma, intresside ja muude võlakirjade alusel Emitendi poolt makstavate summade nõuetekohase ja täpse tasumise kohta.

Garandi kirjeldus

Mogo Finance S.A (société anonyme) on Luksemburgi Suurhertsogiriigi seaduste alusel asutatud ja olemasolev aktsiaselts, mis on registreeritud Luksemburgi kaubandus- ja ettevõtteregestris (Registre de Commerce et des Sociétés de Luxembourg) numbri B.174457 all ja millel on registreeritud büroo aadressiga

8-10, Avenue de la Gare, L-1610 Luxembourg, Luksemburgi Suurhertsogiriik. Tema telefoninumber on +352 26 186 526 ja faksinumber +352 26 84 54 10. Garandi juriidiline tunnus (LEI) on 894500N14T2GUDX0FL66.

Põhitegevus

Vastavalt Garandi 6. juuni 2016. aasta muudetud põhikirja (statuts coordonnés) artiklile 3, mida on muudetud vastavalt 12. oktoobri 2018. aasta aktsionäride otsustele ja 29. oktoobri 2019. aasta aktsionäride otsustele, on Garandi eesmärk investeerida, omandada ja võtta osalused ja intressid mis tahes kujul Luksemburgis või välismaistes ettevõtetes või üksustes, mille eesmärk on sarnane Garandi eesmärgiga, ning omandada osaluste, sissemaksete, ostude, optsoonide või muul viisil väärtpaberite, õiguste, huvide, patentide või osaluste kaudu, kaubamärgid ja litsentsid või muu vara, mida Garant peab sobivaks, ja üldiselt hoidma, haldama, arendama, koormama, müüma või käsutama neid tervikuna või osaliselt sellise tasu eest, mis on Garandi ettevõtte huvides. Garant võib teha ka mis tahes finants-, äri- või muid tehinguid ja anda mis tahes ettevõttele või üksusele, mis kuulub Garandiga samasse gruppi või on mingil viisil seotud Garandiga, sealhulgas ettevõtetele või üksustele, kus Garant omab otseseid või kaudseid rahalisi või muid huve, igasugust abi, laenu, ettemakseid või toetusi kolmandatele isikutele, mis tahes tagatist või garantiid, et tagada nende kohustused, samuti laenata ja koguda raha mis tahes viisil, ja mis tahes moel tagada laenatud raha tagasimaksmist. Lõpuks võib Garant selle eesmärgi saavutamise hõlbustamiseks ette võtta mis tahes tegevusi ja teostada mis tahes toiminguid, mis on otseselt seotud tema eesmärgiga. Garant ja tema grupi ettevõtted, sealhulgas Emitent (edaspidi „Grupp”), on spetsialiseerunud kasutatud autode rahastamisele.

Suuraktsionärid

Alljärgnevas tabelis on esitatud Garandi asjakohane osalus käesoleva prospekti kuupäeval:

	Omanikfirma nimetus	Aktsiate arv	%
1	SIA AK Family Investments (Latvia)	45,587,491	45.58749%
2	AS Novo Holdings (Latvia)	15,229,035	15.22904%
4	AS Obelo Capital (Latvia)	15,229,237	15.22924%
5	LVS Limited (Malta)	15,229,237	15.22924%
	Summa	91,275,000	91,275%

Käesoleva prospekti kuupäeva seisuga on Garandi tegelik tulusaaja nagu Emitendil Aigars Kesefelds, kellele kuulub otseselt ja kaudselt 45,58749% Garandi hääleõiguslikust aktsiakapitalist. Garandi ülejäänud hääleõiguslikku aktsiakapitali kontrollivad Grupi praegused ja endised töötajad

Peamised tegevusdirektorid

Garanti juhib praegu direktorite nõukogu, kuhu kuuluvad kaks A-tüüpi ja kaks B-tüüpi direktorit: A direktor Modestas Sudnius, A direktor Maris Kreics, B direktor Delphine Glessinger ja B direktor Attila Senig, kõik nimetatud ametisse ajavahemikuks, mis lõpeb 2022. aastal toimuva Garandi aastakoosolekuga.

Vannutatud audiitor

Grupi raamatupidamise aastaaruande (st Garandi ja tema konsolideeritud tütaretevõtete auditeeritud konsolideeritud raamatupidamise aastaaruande) vannutatud audiitoriteks seisuga 31. detsember 2018, selleks kuupäevaks lõppenud majandusaasta kohta olid Ernst & Young, Société anonyme, asutatud Luksemburgi seaduste alusel, registrijärgse asukohaga aadressil 35E, avenue John F. Kennedy, L-1855 Luxembourg, Luksemburgi Suurhertsogiriik ja registreeritud Luksemburgi kaubandus- ja ettevõtteregistris numbri B 47771 all.

Grupi raamatupidamise aastaaruande (st Garandi ja tema konsolideeritud tütaretevõtete auditeeritud konsolideeritud raamatupidamise aastaaruannete) vannutatud audiitoriks seisuga 31. detsember 2019, selleks kuupäevaks lõppenud majandusaastate kohta, oli Luksemburgi seaduste alusel asutatud Société anonyme KPMG Luxembourg, registrijärgse asukohaga aadressil 39, Avenue John F. Kennedy, L-1855, Luksemburg, Luksemburgi Suurhertsogiriik ja registreeritud Luksemburgi kaubandus- ja ettevõtteregistris numbri B 149133 all.

Peamine finantsteave Garandi kohta

Garant on selle Grupi peamine emaettevõte, kuhu Emitent kuulub ühe osana.

Alljärgnevat tabelites on esitatud Grupi peamine valitud konsolideeritud finantsteave (i) 31. detsembri 2019 ja 31. detsembri 2018 seisuga, nendeks kuupäevadeks lõppenud majandusaastate kohta, mis tuleneb Garandi auditeeritud konsolideeritud finantsaruannetest 31. detsembri 2019 seisuga, selleks kuupäevaks lõppenud majandusaasta kohta. (sealhulgas 31. detsembril 2018 lõppenud majandusaasta võrdlev finantsteave), mis on koostatud vastavalt IFRS-ile, ja (ii) 30. septembril 2020 ja 30. septembril 2019 lõppenud üheksa kuu perioodide kohta, mis tuletati auditeerimata konsolideeritud vahearuandest 30. septembril 2019 lõppenud üheksa kuu pikkuse perioodi kohta, mis on koostatud finants-vahearuan dluse suhtes kohaldatavate IFRS-i kehtivate kajastamis-, mõõtmis- ja konsolideerimis põhimõtete alusel.

Valitud konsolideeritud väljavõte Garandi koondkasumi kohta (miljonit EUR)

EUR	Jaan-Dets 2019	Jaan-Dets 2018	Jaan-Sept 2020	Jaan-Sept 2019
Tulu ¹	80.2	56.9	67.8	58.3
Aasta / perioodi puhaskasum	6.6	4.6	(7.0)	5.1
EBITDA ²	32.8	21.9	24.5	22.8

Valitud Garandi finantsseisundi konsolideeritud väljavõte (miljonit EUR, välja arvatud protsendid)

EUR	Dets 31, 2019	Dets 31, 2018	Sept 30, 2020
Netolaenuportfell ja rendiautode park	189.7	141.3	191.8
Vara kokku	253.6	174.3	264.8
Omakapital kokku	29.1	17.8	27.1
Netovõlg ³	206.9	143.9	213.6

Valitud konsolideeritud Garandi rahavoogude aruande andmed (miljonites eurodes)

EUR	Dets 31, 2019	Dets 31, 2018	Sept 30, 2020
Neto rahavood põhitegevusse / põhitegevusest	(35.0)	(27.4)	20.1
Neto rahavood finantseerimis- / tegevusse / finantseerimisest	60.4	43.3	(10.0)
Investeeringute netorahavood	(23.3)	(14.4)	(7.0)

Enamik Garandile omaseid olulisi riskitegureid

Võlakirjade ostmisel võtavad investorid riski, et Emitent võib muutuda maksejõuetuks või muul viisil suutmatuks teha kõiki võlakirjade eest tasumisele kuuluvaid makseid. On palju erinevaid tegureid, mis eraldi või koos võivad põhjustada selle, et Emitent ei suuda kõiki makseid tasuda. Kõiki selliseid tegureid ei ole võimalik kindlaks teha ega määrata, millised tegurid kõige tõenäolisemalt esinevad, kuna Emitent ei pruugi olla teadlik kõikidest asjakohastest teguritest ja teatud tegurid, mida ta praegu ei pea oluliseks, võivad muutuda oluliseks. väljaspool Emitenti kontrollitavate sündmuste toimumist. Emitent on tuvastanud mitmeid tegureid, mis võivad oluliselt kahjustada tema äritegevust ja võimet tasumisele kuuluvaid makseid teha. Nende tegurite hulka kuuluvad:

- a. Grupi äritegevuse ja tööstusega seotud riskid

¹ Kapitalirendi tegevusega seotud intressitulude, teenustasude ja vahendustasude tulude ning renditulude summa

² EBITDA jaotuse leiate jaotisest „Garandi valitud finantsteave ja tegevusandmed“ osas „Garandi muud finantsandmed (EBITDA)“

³ Netovõlgade jaotuse leiate jaotisest „Garandi valitud finantsteave ja tegevusandmed“ osas „Garandi netovõlg“

Potentsiaalsete klientide krediidiriski hindamise raskused: Vaatamata Grupi krediidskooride ja sõidukite hindamise mudelitele ei pruugi see olla võimeline õigesti hindama iga potentsiaalse kliendi praegust finantsseisundit ja määrama tema krediidivõimelisust ja / või tagatise väärtust. Grupi rahastamisotsused põhinevad osaliselt taotlejate esitatud teabel. Võimalikud kliendid võivad talle pettuse teel anda ebatäpset teavet, millele tuginedes Grupp juhul, kui teda ei hoiatata pettuse eest, võib tugineda tolle krediidskoori arvestamisel. Potentsiaalsete klientide krediidiriski õigesti hindamata jätmine, mis tuleneb Grupi kliendihinnangu ebaõnnestumisest või kliendi poolt pettusega esitatud valest teabest, võib avaldada olulist kahjulikku mõju Grupi äritegevusele, finantsseisundile, tegevuse tulemustele, väljavaadetele või rahavoogudele ja võib isegi põhjustada regulatiivsete sanktsioonide (sealhulgas trahvide ja karistuste määramise, toimingute peatamise või meie litsentside tühistamise) rakendamise.

Tehingukaaslase maksejõuetuse oht: Oleme avatud riskile, et meie kliendid või muud lepingulised osapooled võivad kohustusi mitte täita või et meie klientide või teiste lepinguliste osapoolte krediidikvaliteet võib halveneda. Selle tagajärjel võivad meie tegevuse tulemused saada kahjulikult mõjutatud. COVID-19 pandeemia on oluliselt mõjutanud Grupi äritegevust ja suurendanud tema kokkupuudet tehingukaaslaste krediidiriskiga.

Tagastatud sõidukite jääkväärtuse või müügitulu vähenemine: Tagastatud sõidukite jääkväärtuse või müügitulu vähenemisel võib olla oluline kahjulik mõju meie kapitalirendi ning müügi ja tagatisrendi tagatise väärtusele.

Valuutariskid: Grupp tegutseb erinevates jurisdiktsioonides ja pakub laenukooteid kohalikes valuutades, sealhulgas euro, Bulgaaria lev, Gruusia lari, Poola zlott, Rumeenia leu, Moldaavia leu, Albaania lek, Armeenia draam ja Valgevene rubla, Kasahstani tenge, Usbekistani som, Keenia šilling, Uganda šilling, Bosnia ja Hertsegoviina marka, Põhja-Makedoonia denaar, Bulgaaria lev ja Ukraina grivna. Seega on tema tegevuse tulemused avatud valuutakursi kõikumistele ja igasugune valuutariski maandamata jätmine võib avaldada olulist kahjulikku mõju tema ärile, finantsseisundile, tegevuse tulemustele, väljavaadetele või rahavoogudele

b. Grupi finantsolukorraga seotud riskid

Muutused meie käibekapitalinõuetes: Meie käibekapitalinõuded võivad eri turgudel märgatavalt erineda, sõltuvalt osaliselt kasutatud autode rahastamise nõudluse erinevustest. Kui meie olemasolevad operatsioonide rahavood ei ole piisavad meie jooksva sularahavajaduse rahastamiseks, peaksime nende vajaduste rahuldamiseks otsima oma sularahajääke ja saadaolevaid krediidivõimalusi, samuti potentsiaalseid lisakapitali allikaid

Madal kapitaliseerituse määr: Oleme praegu intensiivselt finantseeritud laenukapitali kasutades. Grupp tegeleb praegu välise omakapitali kaasamisega avaliku või erakapitali kapitaliturgude kaudu. Me ei pruugi tulevikus saada täiendavat rahastust, et tasakaalustada edasist olulist võlgade taset, millel võib olla oluline kahjulik mõju meie ärile, finantsseisundile, tegevuse tulemustele, väljavaadetele või rahavoogudele ning võimele täita võlakirjadest tulenevaid kohustusi.

Likviidsuse risk: Grupp on avatud likviidsusriskidele, mis tulenevad tema varade ja kohustuste tähtsajalisuse erinevustest, mis võib takistada oma kohustuste õigeaegset täitmist. Kui lühiajaline ja eriti pikaajaline rahastamine rahvusvahelistelt kapitaliturgudelt pole kättesaadav või kui tema varade ja kohustuste tähtsajalisuses ilmneb ebasobivusi, võib see avaldada olulist kahjulikku mõju tema ärile, finantsseisundile, tegevuse tulemustele, väljavaadetele või rahavoogudele.

c. Juriidiline ja regulatiivne risk

Korruptsioonivastaste seaduste, sealhulgas altkäemaksuvastaste seaduste eiramine võib põhjustada karistusi ja sanktsioone, millel võib olla oluline negatiivne mõju meie mainele ja ärile.

d. Sisekontrolli risk

Meie suuraktsionäride huvid võivad olla vastuolus aktsionäride huvidega:

Lõppkokkuvõttes kontrollib Gruppi mitu isikut. Lõplike tegelike kasusaajate huvid võivad mõnel juhul olla vastuolus aktsionäride huvidega, eriti kui kontsernil on rahalisi riskusi või kui me ei suuda oma võlgnevusi tasuda. Lõplikud tegelikud kasusaajad võivad olla huvitatud ka finantseerimise või muude tehingute tegemisest, mis nende hinnangul võiksid suurendada nende omakapitali investeerimist, kuigi sellised tehingud võivad suurendada Grupi võlgnevust, nõuda Grupi vara müümist või muul viisil kahjustada meie maksete teostamise võimet võlakirjade kohaselt. Mis tahes võimalikud vastuolud ühelt poolt kaudselt

kontrollpaketti omava aktsionäri või lõplike tegelike kasusaajate ja teiselt poolt ülejäänud aktsiaomanike huvide vahel võivad võlakirjade väärtusele olulist kahjulikku mõju avaldada.

Mis on väärtpaperitele omased peamised riskid?

c. Võlakirjade olemusega seotud risk

Grupi suutmatus teenida piisavalt raha: Grupp ei pruugi olla võimeline säilitama äritegevuse rahavoogude taset, mis võimaldaks maksta oma võlakohustustest, sealhulgas pakutavatest võlakirjadest tulenevaid põhisummasid, lisatasu, kui see on olemas, ja intresse ning võimalikke täiendavaid summasid, kui need on olemas ning viiviseid juhul, kui neid kohaldatakse.

Võimetus võlakirju tähtaja jooksul tagasi maksta ega tagasi osta: Lõpptähtajal kuulub kogu võlakirjade põhisumma koos kogunenud ja maksmata intressidega maksmisele. Kontsernil ei pruugi olla võimet neid kohustusi tagasi maksta ega refinantseerida.

4. jagu - Pakkumine ja kauplemisele lubamine

Miks on käesolev prospekt välja töötatud?

Võlakirjad moodustavad osa Emitendi võla finantseerimisest kapitaliturgudel ja käesolev prospekt on koostatud võlakirjade lubamiseks kauplemisele Nasdaq Riga reguleeritud turusegmendi Balti võlakirjade nimekirjas (Baltic Bond List), vastavalt sätetele ja tingimustele. Emitent kavatses kasutada võlakirjade emiteerimise netosissetulekut, mis on hinnanguliselt 30 000 000 eurot, Emitendi praeguse võla refinantseerimiseks:

5. 13. oktoobril 2014 emiteeris Emitent 20 miljoni euro summas 10% -lisi võlakirju, mille tähtaeg on 31. märts 2021, ISIN LV0000801363 (edaspidi "Võlakirjad 1"). Võlakirjadega 1 kaubeldakse Nasdaq Riga reguleeritud turul Balti võlakirjade nimekirjas (Baltic Bond List).
6. 27. novembril 2017 emiteeris Emitent täiendavalt 10 miljonit eurot 10%-lisi võlakirju, mille tähtaeg on 31. märts 2021, ISIN LV0000880029 (edaspidi „Võlakirjad 2“). Võlakirjadega 2 kaubeldakse Nasdaq Riga poolt opereeritud First North mitmepoolses kauplemissüsteemis (MTF).

Nii Võlakirjad 1 kui ka Võlakirjad 2 tähtaeguvad 31. märtsil 2021. Seisuga 30. september 2020 oli nii Võlakirjade 1 kui ka Võlakirjade 2 kohane põhisumma ja kogunenud intress 30 miljonit eurot.

Võlakirjade emiteerimine ei kuulu väärtpaperite turule laskmise lepingu alla. Võlakirjade kauplemisele võtmisega Nasdaq Riga reguleeritud turusegmendi Balti võlakirjade nimekirjas (Baltic Bond List) ei esine olulisi huvide konflikte.

V. RISK FACTORS

Below is the description of risk factors that are material for the assessment of the market risk associated with the Bonds and risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds and, as applicable, the Guarantor's ability to fulfil its obligations under the Guarantee.

Any of these risks could have a material adverse effect on the financial condition and results of operations of the Group. The market price of the Bonds could decline due to any of these risks, and investors could lose all or part of their investments.

Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Prospectus and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of the Bonds. In addition, investors should bear in mind that several of the described risks can occur simultaneously and those have, possibly together with other circumstances, a stronger impact. Additional risks, of which the Issuer is not presently aware, could also affect the business operations of the Issuer and the Group and have a material adverse effect on the Issuers and the Group's business activities and financial condition and results of operations.

In each category below the Issuer sets out first the most material risks, in its assessment. The assessment of the materiality of each risk factor based on the probability of its occurrence and the expected magnitude of its negative impact is disclosed by rating the relevant risk as, low, medium or high.

As at the date of this Prospectus, Guarantor is the parent company of the Group to which Issuer is part of, therefore risk factors overlap and are not specifically distinguished. Risk factors, which are not specifically indicated as Issuer's and/or Guarantor's risks are applicable to the Group, including the Issuer and the Guarantor.

Potential investors should, among other things, consider the following:

1. RISK FACTORS RELATING TO THE ISSUER, THE GUARANTOR (THE GROUP) AND OUR BUSINESS

The Issuer's management considers the following list to be as comprehensive as can reasonably be expected and does not consider there to be any significant risks other than those outlined herein, given the current operating environment and without prejudice to any new or highly unusual and unexpected events taking place.

Nevertheless, the Issuer's operations may be subject to such unusual or unexpected events which may have a significant negative impact on its business activities, net worth, financial position and operating results. Due to the unforeseen nature of such events, it is difficult to mitigate their impact or predict their nature or extent of their damage.

The Guarantor is indirect shareholder of the Issuer and both are part of the Group. Accordingly, the Issuer and the Guarantor is affected, substantially, by the same risks as those that affect the business and operations of the entire Group. Therefore, references in this section to the Group shall include references to the Issuer and the Guarantor (if applicable).

a. Risk relating to the Group's business activities and industry

We may face difficulties in assessing the credit risk of potential customers

Despite our credit scoring and vehicle valuation models, we may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. Our financing decisions are based partly on information provided to us by applicants. Prospective customers may fraudulently provide us

with inaccurate information upon which, if not alerted to the fraud, we may base our credit scoring. Any failure to correctly assess the credit risk of potential customers, due to failure in our evaluation of the customer or incorrect information fraudulently provided by the customer, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including imposition of fines and penalties, suspension of operations, or revocation of our licenses).

We utilize a variety of credit scoring criteria, monitor the performance of our loan portfolios and maintain an allowance for estimated losses on loans and advances (including interest fees) at a level estimated to be adequate to absorb expected credit losses. Our allowances for doubtful debts are estimates and if circumstances or risks arise that we do not identify or anticipate when developing our credit scoring model, the level of our non-performing assets and write-offs could be greater than expected. Actual losses may materially exceed the level of our allowance for impairment losses, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

In addition, factors beyond our control, such as the impact of macroeconomic trends, political events or adverse events affecting our key jurisdictions, or natural disasters, may result in an increase in non-performing assets. Our allowances for doubtful debts may not be adequate to cover an increase in the amount of non-performing assets or any future deterioration in the overall credit quality of our total portfolio. If the quality of our total portfolio deteriorates, we may be required to increase our allowances for doubtful debts, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

We are exposed to the risk that our customers or other contractual counterparties may default or that the credit quality of our customers or other contractual counterparties may deteriorate

The risk of counterparty default is defined as the potential negative deviation of the actual counterparty risk outcome from the planned one. This includes the risk of default on lease payments as well as on repayment. The deviation in outcome occurs when the actual loss exceeds the expected loss due to changes in internal credit ratings or credit losses.

In particular, we are subject to the risk of loss through defaults in the customer business, for example, due to non-payments by a lessee of its obligations. The default is contingent on the inability or unwillingness of the lessee to make payments. This includes scenarios where the contracting party makes payments late, only partially or not at all.

The quality of credit risk is influenced by, among other factors, customers' financial strength, collateral quality, overall demand for vehicles and general macroeconomic conditions. In order to assess the level of credit risk, we use our proprietary credit scoring system and vehicle valuation models that provide us with an objective basis to evaluate a potential lease (see above "*We may face difficulties in assessing the credit risk of potential customers*").

We have implemented detailed procedures in order to contact delinquent customers for payment, arrange for the repossession of unpaid vehicles and sell repossessed vehicles. However, there is still the risk that our assessment procedures, monitoring of credit risk, maintenance of customer account records and repossession policies might not be sufficient to prevent negative effects for our operations.

Further credit risks could arise if our management would decide on a higher risk tolerance without compensating for it in the form of sufficient additional revenue. For instance, the acceptance policy for lease contracts could be adjusted to a riskier approach. This could lead to the situation that the credit risk would increase, but the planned income from the additional

business could not compensate the additional risk related costs. As a consequence our operational results could be adversely affected.

However, the outbreak of the virus COVID-19 (known also as SARS-CoV-2) has had negative impact on the overall economic and financial situation due to the measures applied for restraining the spread of the virus (including, among others, quarantine and other restrictions to the free movement of people, shut down of businesses, etc.) by the governments of the states where the Group companies operate. The COVID-19 pandemic has significantly influenced the business and increased exposure to counterparty credit risk. The continued spread of the virus COVID-19 may result in application of additional restrictive measures by governments. This in turn could deteriorate even further the financial health of the borrowers, the credit quality of loans and volume of non-performing loans, which in turn could result for the company to make provisions which could have a material adverse impact on the financial position. Although the Group makes provisions for potential credit losses in accordance with the applicable requirements (including in compliance with the IFRS requirements), such provisions are made based on the available information, estimates and assumptions, which by definition are subject to certain amount of uncertainty. The uncertainty regarding the sufficiency of the provisions made is significantly higher, considering the potential further spread of the COVID-19 pandemic and its impact on the global economic and financial condition. Materialization of the counterparty credit risk may have material adverse effect on the Group's operations, financial condition, and results of operations, and thereby on the Issuer's ability to make the payments in accordance with the Bond Terms and Conditions.

Risk rating: Medium.

A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of our finance leases, sale and lease back, and long term rent

As a lessor under leasing and a long term rent contracts we generally bear the risk that the market value of vehicles sold at the end of the term may be lower than the contractual residual value at the time the contract was entered into (so-called residual value risk). We take such differences into account in establishing provisions for the existing portfolio and in its determination of the contractual residual values for new business.

The residual value risk could be influenced by many different external factors. A decline in the residual value of used vehicles could be caused by initiatives to promote sales of new vehicles, which was evident during the global financial and economic crisis when incentive programs were offered by governments (e.g. scrapping premium) and automobile manufacturers. It cannot be ruled out that a similar scenario, due to renewed deterioration of the macroeconomic environment, could occur in the future.

Furthermore, changes in economic conditions, government policies, exchange rates, marketing programs, the actual or perceived quality, safety or reliability of vehicles or fuel prices could also influence the residual value risk. For instance, current political discussions surrounding potential driving bans for Diesel vehicles might influence the residual value risk of such vehicles. Due to the fact that customers might change their consumption behaviour and refrain from buying Diesel vehicles, the potential of introducing these bans could have a negative impact on the corresponding market prices.

Uncertainties may also exist with respect to the internal methods for calculating residual values, for example owing to assumptions that prove to have been incorrect. Although we continuously monitor used car price trends and make adjustments to our risk valuation, there is still the risk of using false or inaccurate assumptions to assess the residual value risk.

Estimates of provisions for residual value risks may be less than the amounts actually required to be paid due to misjudgements of initial residual value forecasts or changes in market or

regulatory conditions. Such a potential shortfall may have a material adverse effect on the value of the collateral of our finance leases and sale and lease back.

Risk rating: Medium.

We are dependent upon our information technology systems to conduct our business operations

Our operations are significantly dependent on highly complex information technology (“IT”) systems. The underwriting process is mainly performed automatically by IT systems developed internally by us and used at various stages of the underwriting process, including customer registration, application, identification and credit scoring. In addition, bank transfers are completed online and reminder e-mails and invoices are automatically processed and sent to customers. If any IT system at any stage of the underwriting process were to fail, any or all stages of the underwriting process could be affected and customer access to our websites and products could be disrupted. Any disruption in our IT systems would prevent customers from applying for leases and loans, which would hinder our ability to conduct business and have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Moreover, our IT strategy is based on utilizing, in our view, the most sophisticated technologies and solutions available on the market. Therefore, we intend to continue making substantial investments in our IT systems and to adapt our operations and software to support current and future growth. We are required to continually upgrade our global IT system, and any failure to carry out such upgrades efficiently may result in the loss or impairment of our ability to do business or in additional remedial expense. In addition, there can be no assurance that we will be able to keep up to date with the most recent technological developments due to financial or technical limitations. Any inability to successfully develop or complete planned upgrades of our IT systems and infrastructure or to adapt our operations and software may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

The continued expansion of our portfolio depends, to an increasing extent, upon our ability to obtain adequate funding

Our growth depends, to a significant extent, on our ability to obtain adequate funding from a variety of sources such as the international capital markets, marketplace platforms and bank facilities. It is possible that these sources of financing may not be available in the future in the amounts we require, or they may be prohibitively expensive and/or contain overly onerous terms. European and international credit markets have experienced, and may continue to experience, high volatility and severe liquidity disruptions, such as those that took place following the international financial and economic crisis in 2008-09, European sovereign debt crisis, and more recently, outbreak of coronavirus (COVID -19) crisis. These and other related events have had a significant impact on the global financial system and capital markets, and may make it increasingly expensive for us to diversify our funding sources and refinance our debt if necessary. Increased funding costs or greater difficulty in diversifying our funding sources may negatively impact our ability to sufficiently finance the expansion of our business operations and also, potentially, the business operations themselves, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Our business depends on services provided by third parties such as banks, local consumer credit agencies, IT service providers and debt-collection agencies

We advance loans to customers and collect repayments from customers through local bank accounts. Our continuing relationships with the banks with which we maintain accounts are critical to our business.

We contact consumer credit agencies and use other publicly available data sources in the jurisdictions in which we operate to verify the identity and creditworthiness of potential customers. In addition, every application in every country is verified through one or more credit bureaus. Should access to such information be restricted or disrupted for any period of time, or if the rates we are charged for access to such information should significantly increase, we may not be able to complete automatic customer identity and credit scoring checks in a timely manner or at all. This could impede our ability to process applications and to grant loans, and/or increase our cost of operation.

We also outsource certain IT services, such as software development, data center and technical support, to third-party providers.

Moreover, in certain jurisdictions where we operate we outsource the collection of debt to debt-collection agencies. The loss of a key debt-collection agency relationship, or the financial failure of one of our core debt-collection agency partners, could restrict our ability to recover delinquent debt, and there is no guarantee that we could replace a strategic debt-collection agency partner in a timely manner or on favourable terms.

Any inability to maintain existing business relationships with banks, local consumer credit agencies, IT service providers, debt-collection agencies and other third-party providers or the failure by these third-party providers to maintain the quality of their services or otherwise provide their services to us may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium

Our current interest rate spread may decline in the future, which could reduce our profitability

We earn a substantial majority of our revenues from interest payments and fees on the loans we make to our customers. Financial institutions and other funding sources provide us with the capital to fund these loans and charge us interest on funds that we draw down. In the event that the spread between the rate at which we lend to our customers and the rate at which we borrow from our lenders decreases, our financial results and operating performance will suffer. The interest rates we charge to our customers and pay to our lenders could each be affected by a variety of factors, including access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements. These interest rates may also be affected by a change over time in the mix of the types of products we sell to our customers and investors. Interest rate changes may adversely affect our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, the level of economic growth, the state of the credit markets, changes in market interest rates, global economic disruptions, unemployment and the fiscal and monetary policies of the jurisdictions in which we operate. Any material reduction in our interest rate spread could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Our ability to recover outstanding debt may deteriorate if there is an increase in the number of our customers facing personal insolvency procedures

Various economic trends and potential changes to existing legislation may contribute to an increase in the number of customers subject to personal insolvency procedures. The ability to successfully collect on our loans may decline with an increase in personal insolvency procedures or a change in insolvency laws, regulations, practices or procedures, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Our operations in various countries subject us to foreign exchange risk

We operate in various jurisdictions and provide loan products in local currencies, including the Euro, the Bulgarian Lev, the Georgian Lari, the Polish Zloty, the Romanian Leu, the Moldavian Leu, the Albanian Lek, the Armenian Dram, the Belorussian Ruble, the Kazakhstan Tenge, the Uzbekistan Som, the Kenyan shilling, the Ugandan shilling, the Bosnian and Herzegovinian Marka, the North Macedonian Denar, the Bulgarian Lev and the Ukrainian Hryvnia. Thus, our results of operations are exposed to foreign exchange rate fluctuations. As of 31 December 2019, 44% (as of 30 September 2019, 51%) of our net loans and advances due from customers were denominated in non-Euro or non-USD currencies. Although we regularly monitor our open foreign currency positions, and manage them by forming natural hedges and/or evaluating potential economically viable financial instruments we are still subject to certain shifts in currency valuations. Any failure to manage foreign exchange risk may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Rapid growth and expansion may place significant strain on our managerial and operational resources and could be costly

We have experienced substantial growth and development in a relatively short period of time, although our strategy is to grow profitably our business may continue to grow substantially in the future. This growth has placed and may continue to place significant demands on our management and our operational and financial infrastructure. Expanding our products or entering into new jurisdictions with new or existing products can be costly and may require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to upgrade our systems and infrastructure to offer an increasing number of customers enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will ultimately increase. Continued growth could also strain our ability to maintain reliable service levels for our customers, develop and improve our operational, financial and management controls, develop and enhance our legal and compliance controls and processes, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel. Managing our growth will require, among other things, continued development of financial and management controls and IT systems; increased marketing activities; hiring and training of new personnel; and the ability to adapt to changes in the markets in which we operate, including changes in legislation, incurrence of additional taxes, increased competition and changes in the demand for our services. Rapid growth and expansion may be costly, and may strain our managerial and operational resources; any difficulties encountered in managing our growth may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Damage to our reputation and brand or a deterioration in the quality of our service may impede our ability to attract new customers and retain existing customers

Our ability to attract new customers and retain existing customers depends in part on our brand recognition and our reputation for and delivery of high quality services. Our reputation and brand may be harmed if we encounter difficulties in the provision of new or existing services, whether due to technical difficulties, changes to our traditional product offerings, financial difficulties, regulatory sanctions, or for any other reason. Damage to our reputation and brand, or a deterioration in the quality of our service, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

The international scope of Group operations may contribute to increased costs

Group companies currently operate in 13 jurisdictions and, as part of Group's business strategy, Group aim to continue pursuing attractive business opportunities in new jurisdictions. Although Group analyses and carefully plan international expansion and strictly control investments, such expansion increases the complexity of Group organization and may result in additional administrative costs (including costs relating to investments in IT), operational risk (including risks relating to management and control of cash flows and management and control of local personnel), other regulatory risk (including risks relating to non-compliance with data protection, anti-money laundering and local laws and regulations) and other challenges in managing business. Any unforeseen changes or mistakes in planning or controlling Group operations in these respects may have a material adverse effect on business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Our business depends on a strategically located branch footprint

A core part of our car loan origination process is visually inspecting the vehicle on the spot before issuing the loan. Convenient location greatly improves customer experience and, thus, conversion. We have established branches in strategic locations, such as within close vicinity of large local car markets, near (or within) car registries, or areas with high population density to ensure vehicle inspection process causes minimal disruption in the customer journey.

We do not own any of the premises where our branches are located. Any inability to maintain existing relationships with current landlords may have a material adverse effect on customer experience & conversion and/or increase cost of our operations as we may not be able to find comparable locations at similar cost.

Risk rating: Low.

Our business depends on marketing affiliates to assist us in obtaining new customers

We are partially dependent on marketing affiliates as a source for new customers. Our marketing affiliates place our advertisements on their websites, which, in turn, direct potential customers to our websites. As a result, the success of our business depends substantially on the willingness and ability of marketing affiliates to provide us customer leads at acceptable prices.

The failure of our marketing affiliates to comply with applicable laws and regulations, or any changes in laws and regulations applicable to marketing affiliates or changes in the interpretation or implementation of such laws and regulations, could have an adverse effect

on our business and could increase negative perceptions of our business and industry. Also, certain changes in our online marketing affiliates' internal policies or privacy rules could limit our ability to advertise online. Additionally, the use of marketing affiliates could subject us to additional regulatory cost and expense. Any restriction on our ability to use marketing affiliates may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Our business depends on partnerships (e.g. car dealers) and brokers to assist us in obtaining new customers

A substantial part of our loan issuances goes through car dealer and broker channels. We typically motivate our partners to work with us by paying a commission for each loan issued and, in some cases, offering better loan terms to the customers that have been attracted by some (or all) partners. In most markets, our competitors use similar partner motivation models and majority of partners work with more than one lease provider.

Should our partner motivation system become less competitive or should our loan product terms become substantially worse compared to competition, we may lose all or part of the business that is issued through partner channel. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and respond to cyber incidents

Our business involves the storage and transmission of customers' proprietary and personal information, and security breaches could expose us to a risk of loss or misuse of this information, litigation and potential liability. We are entirely dependent on the secure operation of our websites and systems, and the websites and systems of our data center providers, as well as on the operation of the internet generally. While we have not incurred any significant cyber-attacks or security breaches to date, a number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers and/or our data center providers. Although we and our data center providers devote resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, there is no assurance that these security measures will provide absolute security. Despite our efforts to ensure the integrity of our systems and our data center providers' efforts to ensure the integrity of their systems, effective preventive measures against all security breaches may not be anticipated or implemented, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources. These risks may increase in the future as we continue to increase our mobile and other internet-based product offerings and expand our internal usage of web-based products and applications or expand into new countries. If an actual or perceived breach of security occurs, customer and/or supplier perception of the effectiveness of our security measures could be harmed and could result in the loss of customers, suppliers or both. Actual or anticipated attacks and risks may cause us to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees or engage third party experts and consultants.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions, including "denial-of-service" type attacks. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches that result in the unauthorized release of customers' personal

information could damage our reputation and expose us to a risk of loss or litigation and possible liability. In addition, many of the third parties who provide products, services or support to us could also experience any of the cyber risks or security breaches described above, which could impact our customers and our business and could result in a loss of customers, suppliers or revenue.

Any of these events could result in a loss of revenue and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

The preparation of our financial statements under IFRS and certain tax positions taken by us require the judgment of management, and we could be subject to risks associated with these judgments or could be adversely affected by the implementation of new, or changes in the interpretation of existing, accounting principles, financial reporting requirements or tax rules

We prepare our financial statements in accordance with IFRS. IFRS and its interpretations are subject to change over time. If new rules or interpretations of existing rules require us to change our financial reporting, our results of operations and financial condition could be materially adversely affected, and we could be required to restate historical financial reporting.

The preparation of our financial statements in conformity with IFRS requires the board of directors and other management personnel to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. It also requires our board of directors and other management personnel to exercise their judgment in the application of our accounting policies. There is a risk that such estimates, assumptions or judgments by the board of directors and other management personnel do not correctly reflect the actual financial position of the Group and/or the Issuer.

In addition, management's judgment is required in determining the provision for income taxes, the levels of deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets, along with our approach to matters concerning withholding tax and value added tax. We regularly assess the adequacy of our tax provisions. If required, we also seek advice from external tax advisors. There can be no assurance as to the outcome of these decisions, or to the quality of advice we receive. From time to time, we may become subject to tax audits in the jurisdictions in which we operate. Furthermore, the tax laws and regulations, including the interpretation and enforcement thereof, in the jurisdictions in which we operate may be subject to change. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner. Any additional or increased tax payments may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

If Group fail to geographically diversify and expand operations and customer base, then business may be adversely affected

Several countries in which Group operate generate a significant share of Group revenues. As a result, Group is exposed to country-specific risks with respect to such national markets. In such markets, a dissatisfaction with Group products, a revocation of operating license, a decrease in customer demand, a failure to successfully market new and existing products or the failure to further expand customer base and retain existing customer base may have a material adverse effect on business, financial condition, results of operations, prospects or cash flows. While Group continue to seek opportunities to expand operations into new markets,

there can be no guarantee that such efforts of diversification will be successful. Failure to geographically diversify and expand Group operations and customer base could have a material adverse effect on business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Failure to keep up with the rapid changes in e-commerce and the uses and regulation of the Internet could harm our business

The business of providing products and services such as ours over the Internet is dynamic and relatively new. We must keep pace with rapid technological change, consumer use habits, Internet security risks, risks of system failure or inadequacy and governmental regulation and taxation. In addition, concerns about fraud, computer security and privacy and/or other problems may discourage additional customers from adopting or continuing to use the Internet as a medium of commerce, and each of these factors could adversely impact our business.

Risk rating: Low.

b. Risks related to the Group's and/or Issuer's financial situation

A downgrade of the Group's credit ratings may increase its financing costs and harm its ability to finance its operations and investments

Fitch Deutschland GmbH ("**Fitch**") has rated the Guarantor. Depending on its ratings, the Group's access to the capital markets may be limited and obtaining funding from the capital markets may be more expensive. There can be no assurance that the credit ratings assigned to the Guarantor will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the rating agency if, in such rating agency's judgment, circumstances so warrant. Any actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the Bonds and increase our corporate borrowing costs.

Risk rating: High.

Changes in our working capital requirements may adversely affect our liquidity and financial condition

Group's working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for used car financing. If available cash flows from operations are not sufficient to fund on-going cash needs, it would be required to look to cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital.

Furthermore, an economic or industry downturn could increase the level of non-performing assets. A significant deterioration in debt collection could affect cash flow and working capital position and could also negatively impact the cost or availability of financing.

If capital resources are insufficient to meet capital requirements, it will be necessary to raise additional funds. Group may not be able to raise sufficient additional funds on terms that are favourable to Group, if at all. If Group fails to raise sufficient funds, Group ability to fund Group operations, take advantage of strategic opportunities or otherwise respond to competitive pressures could be significantly limited, which may have a material adverse effect on business, financial condition, results of operations, prospects or cash flows. See also "*The continued expansion of our portfolio depends, to an increasing extent, upon our ability to obtain adequate funding.*"

Risk rating: Medium.

Our substantial level of indebtedness could adversely affect our financial condition, our ability to obtain financing in the future and our ability to fulfil our obligations under the Bonds

We have substantial indebtedness and we may incur additional indebtedness. Our high level of indebtedness and high debt to equity ratio could have important consequences for holders of the Bonds. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the Bonds and our other indebtedness, resulting in possible defaults on and acceleration of such indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of such cash flows to fund working capital, acquisitions, capital expenditures and other general corporate purposes;
- limit our ability to obtain additional financing for working capital, acquisitions, capital expenditures, debt service requirements and other general corporate purposes;
- limit our ability to refinance indebtedness or cause the associated costs of such refinancing to increase;
- limit our ability to fund change of control offers;
- restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us, which could limit our ability to, among other things, make required payments on our debt;
- increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations (because a portion of our borrowings may have variable rates of interest); and
- place us at a competitive disadvantage compared to other companies with proportionately less debt or comparable debt at more favourable interest rates who, as a result, may be better positioned to withstand economic downturns.

The high level of our indebtedness and the consequences thereof (as described above) could have a material adverse effect on our business, financial condition and results of operations. We expect to obtain the funds to pay our expenses and to repay our indebtedness primarily from our operations. Our ability to meet our expenses and make these payments thus depends on our future performance, which will be affected by financial, business, economic, regulatory and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future and our currently anticipated growth in revenue and cash flow may not be realized, either or both of which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not have enough funds, we may be required to refinance all or part of our then existing debt, sell assets or borrow more funds, which we may not be able to accomplish on terms acceptable to us, or at all. In addition, the terms of existing or future debt agreements may restrict us from pursuing any of these alternatives.

Risk rating: Medium.

We may face liquidity risks

We are exposed to liquidity risks arising out of the mismatches between the maturities of our assets and liabilities, which may prevent us from meeting our obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between our assets and liabilities occur, this may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Despite our current indebtedness level, we may be able to incur substantially more debt, including secured debt, which could further exacerbate the risks associated with our substantial level of indebtedness

We may incur substantial additional indebtedness in the future, including secured debt. If new debt is added to our current debt levels, the related risks that we face would increase, and we may not be able to meet all of our debt obligations.

Risk rating: Low

Financial information of the Guarantor.

Given that:

- the Guarantor is the holding company of the Group;
- the material operations of the Group are performed within the various direct or indirect subsidiaries of the Guarantor (including Issuer);
- the Guarantor's principal business activities are conducting solely holding and treasury operations for the Group;
- the vast majority of the revenue of the Group is generated by the direct or indirect subsidiaries of the Guarantor (including the Issuer);
- the individual financial information of the Guarantor would, not grant any significant additional information for investors thus is of minor importance and do not as such influence the assessment of the financial position and prospects of the Guarantor.

Consequently, an investor in the Bonds has to rely on the consolidated financial information of the Guarantor as contained in this Prospectus.

Risk rating: Low.

c. Legal and regulatory risk

Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance we may be subject to fines, penalties or limitations, have to exit certain markets or be restricted from carrying out certain operations

Our operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing. See "*Regulatory Framework.*" National and international regulations, as well as plaintiff bars, the media and consumer advocacy groups, have subjected our industry to intense scrutiny in recent years. Failure to comply with existing laws and regulations

applicable to our operations, or to obtain and comply with all authorizations and permits required for our operations, or adverse findings of governmental inspections, may result in the imposition of material fines or penalties or more severe sanctions, including preventing us from continuing substantial parts of our business activities, suspension or revocation of our licenses, or in criminal penalties being imposed on our officers.

In several of the jurisdictions where we operate, we also face risks related to the acquisition of licenses to conduct financial leasing services. We are dependent on the authorities to grant us such required licenses, and in some jurisdictions the licenses are subject to renewal procedures. See “*Regulatory Framework*.” Furthermore, governments may seek to impose new laws, regulatory restrictions or licensing requirements that affect the products or services we offer, the terms on which we offer them, and the disclosure, compliance and reporting obligations we must fulfil in connection with our business. They may also interpret or enforce existing requirements in new ways that could restrict our ability to continue our current methods of operation, including the development of our scoring models, or to expand operations or impose significant additional compliance costs on us. In some cases these measures could even directly limit or prohibit some or all of our current business activities in certain jurisdictions, or render them unprofitable. In addition, they could require us to refund interest and result in a determination that certain leases and loans are not collectable and could cause damage to our brand and our valued customer relationships.

Risk rating: Medium.

Failure to comply with anti-corruption laws, including anti-bribery laws, could have an adverse effect on our reputation and business

While we are committed to doing business in accordance with applicable anti-corruption and anti-bribery laws, we face the risk that any of our operating subsidiaries or their respective officers, directors, employees, agents or business partners may take actions or have interactions with persons that violate such anti-corruption laws, or face allegations that they have violated such laws.

While we closely monitor any signs of potential breaches of the law, the effects of corruption on our operations are difficult to predict. However, under certain circumstances, corruption, particularly where it heightens regulatory uncertainty or leads to regulatory changes adverse to our operations or to liability on our part or on the part of our directors or business partners, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

The legal and judicial systems in some of our markets of operation are less developed than western European countries

The legal and judicial systems in some of the markets in which we operate are less developed than those of western European countries. Commercial, competition, securities, anti-bribery, personal data protection, company and bankruptcy law (as well as other areas of law) in such countries may be unfamiliar to local judges. Related legal provisions in these jurisdictions have been and continue to be subject to ongoing, and at times unpredictable, changes. Existing laws and regulations in our countries of operation may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. Furthermore, it may not be possible, in certain circumstances, to obtain legal remedies in a timely manner in these countries. The relatively limited experience of a significant number of judges or other legal officials practicing in these markets, specifically with regard to capital markets issues, and questions regarding the independence of the judiciary system in such markets may lead to decisions based on considerations that are not grounded in the law. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through the

respective court systems may be laborious, especially where such judgments may lead to business closures or job losses. This lack of legal certainty may adversely affect our business, and may also make it difficult for you to address any claims you may have as an investor.

Risk rating: Medium.

Our business is subject to complex and evolving laws and regulations regarding privacy, data protection, and other matters

Our business is subject to a variety of laws and regulations internationally that involve user privacy issues, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The introduction of new products or the expansion of our activities in certain jurisdictions may subject us to additional laws and regulations. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and may also be inconsistent with our current or past policies and practices. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, the expansion into new markets, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to inquiries or investigations, claims or other remedies, including demands which may require us to modify or cease existing business practices and/or pay fines, penalties or other damages. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Although we continuously educate our employees on applicable laws and regulations in relation to privacy, data protection and other matters, we cannot guarantee that our employees will comply at all times with such laws and regulations. If our employees fail to comply with such laws and regulations in the future, we may become subject to fines or other penalties which may have a negative impact on our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Failure to comply with anti-money laundering laws could have an adverse effect on our reputation and business

We are subject to anti-money laundering laws and related compliance obligations in most of the jurisdictions in which we do business. We have put in place local anti-money laundering policies in those jurisdictions where it is required under local law to do so and in certain other jurisdictions. However, these policies may not prevent all possible breaches of law. Country managers in each jurisdiction are responsible for money laundering prevention and compliance. As a financial institution, we are required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks. As a result, we often rely on anti-money laundering checks performed by our customers' banks when such customers open new bank accounts. If we are not in compliance with relevant anti-money laundering laws (including as a result of relying on deficient checks carried out by our customers' banks), we may be subject to criminal and civil penalties and other remedial measures. Any penalties, remedial measures or investigations into any potential violations of anti-money laundering laws could harm our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

d. Internal control risk

The interests of our beneficial owners may conflict with those of the Holders

The Group is ultimately controlled by several individuals (see *Information about the Issuer, the Guarantor and the Group – Beneficial ownership of the Group*). These individuals have and will continue to have the power to affect the legal and capital structure and the day-to-day operations of the Group, as well as the ability to elect and change the management team and approve other changes to the Group's operations. The interests of the ultimate beneficial owners may, in some circumstances, conflict with the interests of the Holders, particularly if the Group encounters financial difficulties or if we are unable to pay our debts as they become due. The ultimate beneficial owners could also have an interest in pursuing financings or other transactions which, in their judgment, could enhance their equity investment, although such transactions might increase the Group's indebtedness, require the Group to sell assets or otherwise impair our ability to make payments under the Bonds. Any potential conflict between the interests of the indirect controlling shareholder or the ultimate beneficial owners, on the one hand, and Holders, on the other hand, may have a material adverse effect on the value of the Bonds.

Risk rating: Low.

2. RISK FACTORS RELATING TO THE BONDS, THE GUARANTEE

a. Risks related to the nature of the Bonds

We may not be able to generate sufficient cash to service all of our indebtedness, including the Bonds, and may be forced to take other actions to satisfy our obligations under our debt agreements, which may not be successful

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest and additional amounts, if any, on our indebtedness, including the borrowings under the Bonds offered hereby.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including our indebtedness under the Bonds offered hereby. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous borrowing covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

If we cannot make scheduled payments on our debt:

- the holders of our debt could declare all outstanding principal and interest to be due and payable;
- we could be forced into bankruptcy or liquidation; and

- you could lose all or part of your investment in the Bonds.

Risk rating: Medium.

We may be unable to repay or repurchase the Bonds at maturity

At maturity, the entire principal amount of the Bonds, together with accrued and unpaid interest, will become due and payable. We may not have the ability to repay or refinance these obligations. If the maturity date occurs at a time when other arrangements prohibit us from repaying the Bonds, we could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. If we fail to obtain the waivers or refinance these borrowings, we would be unable to repay the Bonds.

Risk rating: Medium.

Relevant insolvency and administrative laws may not be as favourable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Guarantee and the Issuer and the Guarantor is subject to risks relating to the location of their center of main interest (“COMI”)

The insolvency laws of the jurisdictions where the Issuer and the Guarantor are incorporated or organized jurisdictions may not be as favourable to your interests as creditors as the bankruptcy laws of certain other jurisdictions and your ability to receive payment under the Bonds may be more limited than would be the case under such bankruptcy laws. See “*Limitations on Validity and Enforceability of the Guarantee and the Bonds and Certain Insolvency Considerations.*”

In addition, there can be no assurance as to how the insolvency laws of these jurisdictions will be applied in relation to one another. In the event that the Issuer or Guarantor or any other of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such proceedings. Although the Issuer’s registered office is in Latvia, a COMI (See “*Limitations on Validity and Enforceability of the Guarantee and the Bonds and Certain Insolvency Considerations.*”) may be found to exist outside Latvia, and insolvency laws of another jurisdiction may become relevant. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferences, transactions at an undervalue and transactions defrauding creditors, priority of governmental and other creditors, ability to obtain or claim interest following the commencement of insolvency proceedings and the duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction’s laws should apply, adversely affect your ability to enforce your rights under the Bonds or the Guarantee in these jurisdictions and limit any amounts that you may receive. Prospective investors in the Bonds should consult their own legal advisors with respect to such considerations.

Risk rating: Medium.

Investors may face foreign exchange risks by investing in the Bonds

The Bonds will be denominated and payable in EUR. If investors measure their investment returns by reference to a currency other than EUR, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the EUR relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the EUR against the currency by reference to which investors

measure the return on their investments could cause a decrease in the effective yield of the relevant Bonds below their stated interest rates and could result in a loss to investors when the return on such Bonds is translated into the currency by reference to which the investors measure the return on their investments.

Risk rating: Medium.

We may choose to repurchase or redeem the Bonds when prevailing interest rates are relatively low, including in open market purchases

We may seek to repurchase or redeem the Bonds from time to time under a Early Redemption right provided under the Terms and Conditions, especially when prevailing interest rates are lower than the rate borne by such Bonds. If prevailing rates are lower at the time of redemption, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Bonds being redeemed. Our redemption right also may adversely impact your ability to sell such Bonds.

We may also from time to time repurchase the Bonds in the open market, privately negotiated transactions, tender offers or otherwise. Any such repurchases or redemptions and the timing and amount thereof would depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. Such transactions could impact the market for such Bonds and negatively affect our liquidity.

Risk rating: Low.

The Guarantor is a company that has no revenue generating operations of its own and depends on cash from our operating companies to be able to make payments on the Bonds

The Guarantor's only business operations consist of providing financing to the Group companies and to act as holding company of the Group with no business operations other than the equity interests it holds in its subsidiaries. See "*Information about the Issuer, the Guarantor and the Group*". The Guarantor will be dependent upon the cash flow from our operating subsidiaries in the form of interest income, direct loan repayment, dividends or other distributions or payments to meet their obligations, including the Guarantor's obligations under the Bonds or other indebtedness incurred to fund its equity interests and other financial assets. The amounts of interest income, dividends or other distributions or payments available to the Guarantor will depend on the profitability and cash flows of our subsidiaries and the ability of those subsidiaries to issue dividends and make distributions and other payments under applicable law. Our subsidiaries, however, may not be able to, or may not be permitted under applicable law to, make interest payments, loan principal repayments, dividends, distributions or other payments to the Guarantor to make payments in respect of indebtedness, including the Bonds. In addition, our subsidiaries that do not guarantee the Bonds have no obligation to make payments with respect to the Bonds.

Due to the COVID-19 pandemic there is uncertainty regarding the financial condition and profitability of the Group for 2021 and the following years should the spread of the pandemic continue. Thus, there is a risk of decrease in the cash flow from Group's operating subsidiaries paid to the Guarantor in form described above in the future.

Risk rating: Low.

The Bonds will be structurally subordinated to all indebtedness

The Bonds are guaranteed only by the Guarantor. Bonds are equivalent to other unsecured loans of the Issuer. In case of Issuer's insolvency, Holders have the same right to receive their investment as other creditors of the relevant group in accordance with applicable regulatory

enactments. There are no contracts or other transaction documents, which would subordinate the claims of Holders to other unsecured obligations of the Issuer. Shares of the Issuer are pledged to the creditors of the Issuer and the Guarantor (see „*Material Agreements*“). The Issuer is not prohibited from pledging assets in favor of other creditors. All indebtedness and obligations of the Issuer and the Guarantor, which are secured, will have to be satisfied before any of the assets of the Issuer and the Guarantor would be available for distribution upon liquidation or otherwise to the Holders of the Bonds.

Risk rating: Low

An increase in interest rates could result in a decrease in the relative value of the Bonds

In general, as market interest rates rise, Bonds bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase these Bonds and market interest rates increase, the market value of your Bonds may decline. We cannot predict future levels of market interest rates.

Risk rating: Low.

Payments on the Bonds may be subject to U.S. withholding tax under the Foreign Account Tax Compliance Act.

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 and the U.S. Foreign Account Tax Compliance Act, commonly known as “FATCA”, a “foreign financial institution” may be required to withhold a 30% withholding tax on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to 1 January 2019 (intended date) and Bonds issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). As long as the rules for the implementation and the definition of “foreign passthru payments” are not written, it is impossible to determine what impact, if any, this withholding will have on Holder of the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, Holders will not receive any Additional Amount in respect of such withholding, and Holders will therefore receive less than the amount that they would otherwise have received on such Bonds. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

Risk rating: Low.

Risks related to the Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD, including the Common Reporting Standard (“CRS”). As of 12 May 2016 and per the status issued by the OECD on 19 August 2016, 84 jurisdictions, including Luxembourg and Latvia, signed the multilateral competent authority agreement, which is a multilateral

framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which include trusts and foundations) with tax residency in another CRS country. CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Luxembourg law (by the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*)) and as of 1 January 2016 have been implemented in Latvian law. As a result, the Issuer and the Guarantor is required to comply with identification obligations starting in 2016, with reporting having begun in 2017. Holders of Bonds may be required to provide additional information to the Issuer and the Guarantor to enable it to satisfy its identification obligations under the Luxembourg and Latvia implementation of the CRS. Prospective investors are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU. Not complying with the CRS rules may be sanctioned by fines imposed upon the Issuer and the Guarantor. Furthermore, it cannot be ruled out that as a sanction against failure to comply with the CRS rules, a withholding tax will be introduced similar to the withholding tax imposed for non-compliance with FATCA regulations.

Risk rating: Low.

b. Risks related to the Guarantee

The Guarantee may not be sufficient to cover all the Guaranteed Obligations

There is no assurance that the Guarantee, benefiting the Holders of the Bonds, will be sufficient to cover all the present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Issuer towards the Holders under or in connection with the Terms and Conditions of the Bonds (the „**Guaranteed Obligations**“) and, therefore, all the Issuer's payment obligations under the Bonds may not be secured, if at all.

The receivables of the holders of the Bonds rank *pari passu* with the receivables of the other unsecured creditors.

Risk rating: Medium.

The Guarantee will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability

The Guarantee provide the Holder with a claim against the Guarantor. However, the Guarantee will be limited to the maximum amount that can be guaranteed by the Guarantor without rendering the Guarantee voidable or otherwise ineffective under applicable law, and enforcement of Guarantee would be subject to certain generally available defenses. See “*Limitations on Validity and Enforceability of the Guarantee and the Bonds and Certain Insolvency Considerations.*”

Enforcement of any of the Guarantee against Guarantor will be subject to certain defenses available to Guarantor in the jurisdiction of Luxembourg. These laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation

of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Guarantor may have no liability or decreased liability under its Guarantee depending on the amounts of its other obligations and applicable law.

In general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of the Guarantor's obligations under its Guarantee, (ii) direct that the holders of the Bonds return any amounts paid under the Guarantee to the Guarantor or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, when the granting of the Guarantee has the effect of giving a creditor a preference or guarantee or the creditor was aware that the Guarantor was insolvent when the Guarantee given;
- the Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the Guarantee and the Guarantor: (i) was insolvent or rendered insolvent because of the Guarantee; (ii) was undercapitalized or became undercapitalized because of the Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the Guarantee were held to exceed the corporate objects of the Guarantor or not to be in the best interests of or for the corporate benefit of the Guarantor; or
- the amount paid or payable under the Guarantee was in excess of the maximum amount permitted under applicable law.

We cannot assure you which standard a court would apply in determining whether the Guarantor was "insolvent" at the relevant time or that, regardless of method of valuation. There can also be no assurance that a court would not determine that the Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not the Guarantor was insolvent on the date its Guarantee were issued, that payments to holders of the Bonds constituted preferences, fraudulent transfers or conveyances on other grounds. The liability of the Guarantor under its Guarantee will be limited to the amount that will result in such Guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of the Guarantor.

Risk rating: Medium.

VI. GENERAL INFORMATION

Persons Responsible

The Issuer, represented by the members of its Management Board, accepts sole responsibility for the information contained in this Prospectus and hereby declares, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

The Issuer, represented by the members of its Management Board, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the listing of the Bonds on the regulated market, including all information which, according to the particular nature of the Issuer, of the Guarantor and whole Group and of the Bonds is necessary to enable investors to make an assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and the Group and of the rights attached to the Bonds, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Prospectus are honestly held, and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading in any material respect, and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

AS mogo

Chairman of the Board

Krišjānis Znotiņš

signed electronically with a time stamp

AS mogo

Member of the Board

Aivis Lonskis

signed electronically with a time stamp

Authorisation

The creation and issue of the Bonds has been authorised by a decision of the shareholders of the Issuer dated 26 January 2021.

Subject of this Prospectus.

The subject matter of the Prospectus is the admission to trading on the Nasdaq Riga, Latvia regulated market segment in the aggregate principal amount of EUR 30,000,000.00 in a denomination of EUR 1,000.00 each. The interest offered on the Bonds is 11.00%. Unless previously redeemed, the Bonds will be repaid on 31 March 2024. The Bonds are governed by Republic of Latvia law and constitute bonds in bearer form in accordance with Republic of Latvia applicable laws. The Bonds are freely transferable. The yield of the Bonds is 11.00% per annum, equal to the interest rate of the Bonds. The security codes of the Bonds are as follows:

International Securities Identification Number: LV0000802452

References

Unless the context otherwise requires, references to “we,” “our,” “us,” “Mogo” or the “Group” refer to the Guarantor and its direct and indirect subsidiaries including the Issuer. Unless the context otherwise requires, references to the “Issuer” refer to AS “mogo”.

Unless otherwise defined, capitalized terms used in this Prospectus have the same meaning as defined in the terms and conditions governing the Bonds (the “Terms and Conditions”).

Information posted on our website and those of our affiliates and subsidiaries do not constitute a part of this Prospectus.

Hyperlinks

The content of any website referred to in this Prospectus by hyperlinks is for information purposes only, does not form part of the Base Prospectus (with the exception of hyperlinks to the electronic addresses where information incorporated by reference is available) and has not been scrutinised or approved by the FCMC.

Forward-looking Statements

This Prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding the Issuer’s future financial position and results of operations, its strategy, plans, objectives, goals, targets and future developments in the markets in which it participates or is seeking to participate and any statements preceded by, followed by or that include the words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “aims”, “intends”, “will”, “may”, “plan”, “should” or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Certain forward looking statements may prove wrong, although being reasonable at present. Furthermore there are a lot of risks and uncertainties related to the Issuer’s business because of which a forward looking statement, estimate or forecast may prove wrong. Thus, the investors should urgently read the chapters “Summary”, “Risk Factors” and “Description of the Issuer”, which contain a detailed explanation of the factors, which influence the business development of the Issuer and the market, in which the Issuer is active.

In consideration of the risks, uncertainties and assumptions the future events mentioned in the Prospectus may not occur.

Because the risk factors referred to in this Prospectus, and other factors, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus by the Issuer or on its behalf, the investors should not place any reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and the Issuer undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for the Issuer to predict which factors they will be. In addition, the Issuer cannot assess the effect of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements. The Issuer does not assume any obligation to update such forward looking statements or to adapt them to future events or developments unless required by law.

Third Party Information

In this Prospectus, the Issuer relies on and refer to information regarding the Group's business and the markets in which Guarantor operates and competes. Certain economic and industry data, market data and market forecasts set forth in this Prospectus were extracted from market research and industry publications. Where such third party data has been used in the Prospectus, the source of data is named.

Where information in this Prospectus has been specifically identified as having been extracted from third party documents, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer has no reason to believe that any of this information is inaccurate in any material respect, the Issuer has not independently verified the competitive position, market size, market growth or other data provided by third parties or by industry or other publications.

Presentation of Financial Information

The financial information of the Issuer set forth herein, has, unless otherwise indicated, been derived from the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2019 (including comparative financial information as of and for the financial year ended 31 December 2018) (the "**Issuer's Consolidated Financial Statements**") which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") or from the unaudited consolidated interim financial information as at and for the nine-month period ended 30 September 2020 (consisting of the consolidated statement of financial position as at 30 September 2020 and the consolidated statements of comprehensive income and cash flows for the nine months ended 30 September 2020) which are prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting.

The financial information of the Group set forth herein, has, unless otherwise indicated, been derived from the audited consolidated financial statements of the Guarantor as at and for the financial year ended 31 December 2019 (including comparative financial information as of and for the financial year ended 31 December 2018) (the "**Guarantor's Consolidated Financial Statements**") which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") or from the unaudited consolidated interim financial information as at and for the nine-month period ended 30 September 2020 (consisting of the consolidated statement of financial position as at 30 September 2020 and the consolidated statements of comprehensive income and cash flows for the nine months ended 30 September 2020) which are prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting. .

Certain stated figures, financial information and market data (including percentages) given in this Prospectus had been rounded up or down pursuant to generally applicable commercial and business standards. It is therefore possible that not all total amounts (total sums or interim totals, differences or figures used as reference) contained within this Prospectus coincide completely with the underlying (non-rounded) individual amounts contained in other places or in documents incorporated by reference in this Prospectus. In addition, it is possible that these rounded figures in tables do not add up precisely to form the overall total sums in the respective tables.

Further information regarding this Prospectus

No person is authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Issuer.

The delivery of this Prospectus shall not, under any circumstances, create any implication

- (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended, or supplemented, or
- (ii) that there has been no adverse change in the affairs or the financial situation of the Issuer which is material in the context of the Bonds since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or
- (iii) that any other information supplied in connection with the issue of the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same, or
- (iv) as far as the Issuer has fulfilled its obligation to publish a supplement pursuant to Article 23 of the Prospectus Regulation.

The Bonds are not suitable for all kinds of investors. Neither this Prospectus nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer to an investor that such investor should purchase any Bonds.

MiFID II Product Governance

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Documents available for inspection

For the time of the validity of the Prospectus, copies of the following documents may be inspected at the head office of the Issuer, Skanstes iela 52, Riga, LV-1013, Latvia, on weekdays from 10:00 am to 4:00 pm and will be available on the Group's website at <https://mogo.finance/>:

- the Issuer's up to date articles of association (<https://mogo.finance/documents-available-for-inspection/>);
- the Guarantor's up to date articles of association (<https://mogo.finance/documents-available-for-inspection/>);
- the Issuer's audited consolidated financial statements as of and for the financial years ended 31 December 2019 and 31 December 2018 (https://nasdaqbaltic.com/market/upload/reports/mogo/2019_ar_en_eur_con_ias.pdf);

- the Issuer's audited stand-alone annual accounts as of and for the financial years ended 31 December 2019 and 31 December 2018 (<https://nasdaqbaltic.com/statistics/lv/instrument/LV0000880029/reports?date=2020-12-23>)
- the Issuer's unaudited interim consolidated financial reports for the nine months ended 30 September 2020 (https://mogo.finance/wp-content/uploads/2020/11/Mogo-Finance_9M-2020-Report_ENG-2.pdf 16 and 17 page and <https://nasdaqbaltic.com/statistics/lv/instrument/LV0000880029/reports?date=2020-12-23>);
- the Guarantor's audited consolidated financial statements as of and for the financial years ended 31 December 2019 and 31 December 2018 (<https://mogo.finance/results-and-reports/>);
- the Guarantor's audited stand-alone annual accounts as of and for the financial years ended 31 December 2019 and 31 December 2018 (<https://mogo.finance/results-and-reports/>);
- the Guarantor's unaudited interim consolidated financial reports for the nine months ended 30 September 2020 (https://mogo.finance/wp-content/uploads/2021/01/201109_Mogo-Finance_9M-2020-Report_FINAL-10.11.2020_with_LV_CF.pdf)

In addition to the above, for the time of the validity of the Prospectus, copies of the following documents may be inspected at the head office of the Issuer, Skanstes iela 52, Riga, LV-1013, Latvia, on weekdays from 10:00 am to 4:00 pm:

- the Prospectus;
- the Guarantee.

Advisors involved in the Bonds issue

The Issuer has concluded an agreement with the Signet Bank AS, registration number 40203158265, legal address at Antonijas iela 3, Riga, LV-1010, Latvia (the „**Arranger**”) to organize the Bonds issue, market it to Investors and conduct settlement during the subscription period. The Arranger may provide other services to the Issuer in the future and receive remuneration for it. The Arranger may invest its own funds in the Bonds.

The external audit of the information included in the securities description

The auditors have not verified the information included in the securities description.

Statements or reports included in the securities description

The securities description does not contain any expert statements or reports.

Credit ratings

There is no credit rating assigned to the Bonds issue.

Description of the expected financing of the Issuer's activities

Issuers activities mainly are financed through Mintos Marketplace, AS Citadele Bank (see "*Material Agreement*") and proceeds of issued and already repaid instalment loans, financial leasing's, leaseback's and long term rents (see "*Products*"). Intra-Group financing is also available to the Issuer, if needed (see "*Loans with Related Parties*").

VII. USE OF NET PROCEEDS

The Bonds form part of the Issuer's debt financing on the capital markets and this Prospectus has been prepared for the purposes of admitting the Bonds to trading on Nasdaq Riga regulated market segment Baltic Bond List, in accordance with the Terms and Conditions. The Issuer intends to use the net proceeds from the issue of the Bonds estimated to EUR 30,000,000 to refinance the current debt of the Issuer:

1. On 13 October 2014, the Issuer issued the EUR 20 million 10% notes due 31 March 2021, ISIN LV0000801363 (the "**Notes 1**"). The Notes 1 are traded on the regulated market NR Baltic Bond List of Nasdaq Riga.
2. On 27 November 2017, AS the Issuer issued further EUR 10 million 10% notes due 31 March 2021 ISIN LV0000880029 (the "**Notes 2**"). The Notes 2 are traded on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga.

Both Notes 1 and Notes 2 will mature on 31 March 2021. As of 30 September 2020, the principal outstanding amount and accumulated interest under both Notes 1 and Notes 2 was EUR 30 million.

VIII. CAPITALIZATION

The table below sets forth our consolidated capitalization of the Issuer as of 31 December 2019 and 30 September 2020 (i) on an actual historical basis, (ii) as adjusted for the issue of the Bonds and the application of proceeds therefrom as described in “*Use of Net Proceeds*” as if such had occurred on 30 September 2020. This table should be read in conjunction with “*Use of Net Proceeds*,” and the Financial Statements included elsewhere in this Prospectus.

Consolidated capitalization of the Issuer

	As of 31 December 2019	As of 30 September 2020
	Audited	Unaudited
	(in Million EUR)	(in Million EUR)
Cash and cash equivalents	0.4	1.2
Debt		
Non-current liabilities for issued debt securities.....	30.0	-
Non-current funding attracted through peer-to-peer platforms	9.4	8.2
Non-current lease liabilities for right-of-use assets.....	1.2	1.0
Non-current loans from related parties.....	0.3	-
Non-current loans from banks.....	2.1	-
Current liabilities for issued debt securities.....	-	25.3
Current funding attracted through peer-to-peer platforms.....	5.2	2.5
Current loans from related parties.....	0.0	1.0
Current lease liabilities for right-of-use assets.....	0.2	0.1
Total debt	48.4	38.1
Equity		
Share capital.....	5.0	5.0
Retained earnings	7.8	11.7
Reserve.....	(4.8)	(4.8)
Foreign currency translation reserve.....	0.0	0.0
Total equity attributable to equity holders of the parent company	8.0	11.9
Total capitalization	56.4	50.0

Except as disclosed above, there have been no material changes in the Issuer’s consolidated capitalization or indebtedness since 30 September 2020.

The table below sets forth our consolidated capitalization of the Guarantor as of 31 December 2019 and 30 September 2020 (i) on an actual historical basis, (ii) as adjusted for the issue of the Bonds and the application of proceeds therefrom as described in “*Use of Net Proceeds*” as if such had occurred on 30 September 2020. This table should be read in conjunction with “*Use of Net Proceeds*,” and the Financial Statements included elsewhere in this Prospectus.

Consolidated capitalization of the Guarantor

	As of 31 December 2019	As of 30 September 2020
	Audited	Unaudited
	(in Million EUR)	(in Million EUR)
Cash and cash equivalents	8.6	11.7
Debt		
Non-current borrowings.....	180.7	183,4
Current borrowings.....	34.8	41.9
Total debt	215.5	225.3
Equity		
Share capital.....	1.0	1.0
Retained earnings	21.3	0.3
Reserve.....	0.3	0.3
Foreign currency translation reserve.....	(0.8)	(1.2)
Subordinated debt.....	6.8	11.9
Non-controlling interests.....	0.5	1.1
Total equity.....	29.1	27.1
Total capitalization	244.6	252.4

IX. SELECTED FINANCIAL INFORMATION AND OPERATING DATA OF THE ISSUER

The selected consolidated financial information set forth below should be read in conjunction with the respective documents incorporated by reference in this Prospectus.

The tables below present key selected consolidated financial information for the Issuer as at and for (i) the financial years ended 31 December 2019 and 31 December 2018 derived from the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2019 (including comparative financial information for the financial year ended 31 December 2018) prepared in accordance with IFRS, and (ii) the nine-month periods ended 30 September 2020 and 30 September 2019 derived from the unaudited consolidated interim financial information as at and for the nine-month period ended 30 September 2020 (including comparative financial information for the nine-months periods ended 30 September 2019, consisting of the consolidated statement of financial position as at 30 September 2020 and the consolidated statements of comprehensive income and cash flows for the nine months ended 30 September 2020) prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting. Where financial information is labelled as "audited", this means that it has been taken from the above mentioned audited consolidated financial statements of the Issuer. Financial information labelled as "unaudited" has been taken or derived from the above mentioned unaudited consolidated interim financial information, from the Issuer's internal reporting system or is based on calculations of figures from the sources mentioned before.

1. Selected consolidated statement of comprehensive income data of the Issuer

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest revenue calculated using the effective interest method and income from car rent.....	19.1	18.9	12.4	14.4
Net profit for the period.....	4.9	2.8	3.9	4.3

Consolidated statement of comprehensive income data of the Issuer

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest revenue calculated using the effective interest method	15.1	18.8	7.9	11.8

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest expense calculated using the effective interest method.....	(5.5)	(6.1)	(3.5)	(4.1)
Net interest income.....	9.6	12.7	4.4	7.8
Income from car rent.....	4.0	0.1	4.4	2.6
Fee and commission related to finance lease activities and rent contracts.....	1.0	1.0	0.5	0.7
Impairment expense	(3.2)	(5.3)	(2.0)	(2.6)
Net loss from de-recognition of financial assets measured at amortized cost.....	(0.3)	(0.1)	0.5	(0.0)
Expenses related to peer-to-peer platform services	(0.2)	(0.3)	(0.1)	(0.1)
Revenue from car sales	1.9	0.5	3.1	0.8
Cost of sales of cars	(2.6)	(0.5)	(4.4)	(1.2)
Selling expense.....	(0.4)	(0.7)	(0.1)	(0.3)
Administrative expense.....	(5.0)	(4.8)	(3.9)	(3.5)
Other operating income	0.7	0.2	1.6	0.4
Other operating expense	(0.4)	(0.2)	(0.2)	(0.2)
Net foreign exchange result...	(0.0)	(0.0)	(0.0)	(0.0)
Profit before tax	4.9	2.8	3.9	4.3
Net profit for the period.....	4.9	2.8	3.9	4.3

2. Selected consolidated statement of financial position data of the Issuer

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Total assets	62.9	52.6	54.9
Non-current borrowings	43.0	27.8	9.2
Current borrowings	5.4	4.5	28.9
Total equity.....	8.0	6.8	11.9
Total equity and liabilities...	62.9	52.6	54.9

Consolidated statement of financial position data of the Issuer

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Licenses.....	-	0.0	-
Other intangible assets.....	0.0	0.0	-
Rental fleet.....	13.5	1.4	13.5
Right-of-use assets.....	1.4	0.1	1.2
Property and equipment.....	0.1	0.1	0.1
Advance payments for assets	0.0	0.1	-
Leasehold improvements.....	0.0	0.0	0.0
Non-current finance lease receivables.....	13.4	24.9	8.6
Non-current loans and advances to customers.....	1.8	1.3	1.4
Non-current loans to related parties.....	24.3	11.0	24.7
Other investments.....	0.0	0.0	0.0
Finished goods and goods for resale.....	-	0.0	-
Current finance lease receivables.....	5.7	8.6	2.2
Current loans and advances to customers.....	1.0	1.4	0.4
Trade receivables.....	0.7	2.4	0.6
Prepaid expense.....	0.1	0.2	0.0
Other receivables.....	0.1	0.2	0.2
Accrued revenue.....	0.2	0.0	0.4
Cash and cash equivalents....	0.4	0.7	1.2
Assets held for sale.....	0.2	0.1	0.1
Total assets	62.9	52.6	54.9
Share capital.....	5.0	5.0	5.0
Foreign currency translation reserve.....	0.0	0.0	0.0
Other reserves.....	(4.8)	(1.1)	(4.8)

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Retained earnings.....	7.8	2.9	11.7
Total equity.....	8.0	6.8	11.9
Non-current liabilities for issued debt securities.....	30.0	18.7	-
Non-current funding attracted through peer-to-peer platforms.....	9.4	9.2	8.2
Non-current lease liabilities for right-of-use assets.....	1.2	0.0	1.0
Non-current loans from related parties.....	0.3	-	-
Non-current loan from banks..	2.1	-	-
Provisions for financial guarantees.....	4.3	1.0	3.0
Other provisions.....	0.5	0.5	0.4
Total provisions for liabilities and charges and financial guarantees	4.8	1.4	3.4
Current liabilities for issued debt securities.....	-	11.2	25.3
Current funding attracted through peer-to-peer platforms.....	5.2	4.4	2.5
Current loans from related parties.....	0.0	-	1.0
Current lease liabilities for right-of-use assets.....	0.2	0.1	0.1
Prepayments and other payments received from customers.....	0.1	0.1	0.1
Payables to related companies.....	0.2	0.0	0.7
Trade payables.....	0.1	0.1	0.2
Corporate income tax.....	0.0	0.1	0.0
Taxes payable.....	0.1	0.0	0.2
Other liabilities.....	0.9	2.2	0.1

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Accrued liabilities.....	0.3	0.3	0.3
Total liabilities.....	54.8	45.8	43.0
Total equity and liabilities...	62.9	52.6	54.9

3. Selected consolidated statement of cash flows data of the Issuer

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Operating profit before working capital changes	0.7	(4.2)	4.7	1.8
Cash generated to/from operations	16.3	(13.0)	11.2	12.4
Net cash flows to/from operating activities	26.4	(0.0)	15.5	19.4
Net cash flows to/from financing activities	2.5	0.1	(10.5)	4.4
Cash at the end of the year	0.4	0.7	1.2	0.1

Consolidated statement of cash flows data of the Issuer

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Cash flows to/from operating activities				
Profit before tax from continuing operations	4.9	2.8	3.9	4.3
Adjustments for:				
Amortization and depreciation	1.6	0.5	1.8	1.0

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
Cash flows to/from operating activities	(in Million EUR)			
Interest expense	5.4	6.1	3.2	3.7
Interest income	(15.1)	(18.8)	(7.4)	(10.7)
Disposals of rental fleet	0.7	-	1.3	0.7
Disposals of property, equipment and intangible assets	0.0	0.0	0.1	0.1
Impairment expense	3.2	5.2	2.9	2.5
Financial guarantees	(0.3)	(0.1)	(1.3)	(0.1)
Bonds acquisition expenses decrease	0.3	-	0.2	0.3
Operating profit before working capital changes	0.7	(4.2)	4.7	1.8
Decrease/ (increase) in inventories	0.0	0.3	0.1	(0.1)
Increase in finance lease receivables, loans and advances to customers, trade and other receivables	14.4	(9.2)	4.5	10.5
Increase in advances received and trade payables, and guarantees	1.0	0.0	1.9	0.2
Cash generated to/from operations	16.2	(13.0)	11.2	12.4
Interest received	15.5	18.7	7.5	10.6
Interest paid	(5.2)	(5.4)	(3.2)	(3.6)
Corporate income tax paid	(0.1)	(0.3)	(0.0)	(0.0)
Net cash flows to/from operating activities	26.4	(0.0)	15.5	19.4
Cash flows to/ from investing activities				
Purchase of property and equipment and other intangible assets	(1.4)	(0.9)	(0.0)	(0.6)
Purchase of rental fleet	(16.5)	(1.4)	(6.8)	(13.8)
Proceeds from sales of rental fleet	1.9	-	3.1	0.8
Loan repayments received from related parties	17.4	27.7	20.5	14.2
Loans to related parties	(30.6)	(25.3)	(21.0)	(25.0)

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
Cash flows to/from operating activities	(in Million EUR)			
Net cash flows to/ from investing activities	(29.3)	(0.0)	(4.2)	(24.4)
Cash flows to/from financing activities				
Proceeds from borrowings	48.2	68.3	22.2	40.6
Repayments for borrowings	(45.5)	(68.0)	(32.3)	(35.7)
Repayment of liabilities for right-of-use assets	(0.2)	(0.2)	(0.4)	(0.5)
Net cash flows to/from financing activities	2.5	0.1	(10.5)	4.4
Change in cash	(0.4)	0.1	0.8	(0.6)
Cash at the beginning of the year/period	0.7	0.7	0.4	0.7
Cash at the end of the year/period	0.4	0.7	1.2	0.1

4. Net debt of the Issuer

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited unless otherwise indicated, actual)	(Audited unless otherwise indicated, actual)	(Unaudited)
	(in Million EUR)	(in Million EUR)	(in Million EUR)
Cash and cash equivalents	0.4	0.7	1.2
Non-current liabilities for issued debt securities.....	30.0	18.7	-
Non-current funding attracted through peer-to-peer platforms	9.4	9.2	8.2
Non-current lease liabilities for right-of-use assets.....	1.2	0.0	1.0
Non-current loans from related parties.....	0.3	-	-
Non-current loans from banks.....	2.1	-	-
Current liabilities for issued debt securities.....	-	11.2	25.3
Current funding attracted through peer-to-peer platforms.....	5.2	4.4	2.5
Current loans from related parties.....	0.0	-	1.0
Current lease liabilities for right-of-use assets.....	0.2	0.1	0.1
Total debt	(48.4)	(43.6)	(38.1)
Net debt¹	(48.0)	(42.9)	(36.9)

¹ Net debt is a liquidity metric used to determine how well a company can pay all of its debts if they were due immediately and as of this Prospectus, net debt is calculated as cash and cash equivalents less total debt. Total debt is the sum of (i) non-current borrowings and (ii) current borrowings as presented in the Issuer's consolidated statement of financial position.

5. Key financial ratios of the Issuer

The definitions for the following key financial ratios are contained in the respective footnotes below the following table. The Issuer believes that such key financial ratios are a useful way of understanding trends in the performance of the business of the Issuer over time.

	As of and for the year ended 31 December 2019	As of and for the year ended 31 December 2018	As of and for the nine- month period ended 30 September 2020	As of and for the nine- month period ended 30 September 2019
	(Unaudited)		(Unaudited)	
	(in Million EUR, except percentages)			
Net loan portfolio and rental fleet ⁽¹⁾	35.4	37.6	26.1	-
Net worth / Net loan portfolio ⁽²⁾	23%	18%	46%	-
Profit before tax margin ⁽³⁾	24%	14%	30%	29%
Return on average assets ⁽⁴⁾	8%	5%	7%	-
Cost / income ratio ⁽⁵⁾	27%	28%	31%	25%
Net impairment to revenue ratio ⁽⁶⁾	17%	27%	12%	17%
Non-performing loans (i.e. 60 or more days) as a share of value of portfolio of loans ⁽⁷⁾	5%	5%	5%	-

(1) Net loan portfolio and rental fleet are representing income generating assets for the company calculated as gross loan portfolio less provisions for bad debts and debt acquisition costs.

(2) Net worth is calculated as the sum of share capital, retained earnings and reserves. Net worth over net loan portfolio indicate how much of income generated assets are financed by own funds (i.e. share capital, retained earnings, reserves). Net worth is calculated as the sum of share capital, retained earnings and reserves.

(3) Profit before tax margin is a financial efficiency ratio that show how much of revenue has been turned into profits before tax. Profit before tax divided by the sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

(4) Return on average assets is an indicator used to assess the profitability of a firm's total assets and calculated as Net profit for the period/ average assets (total assets as of the start and end of each period divided by two).

(5) Cost over income ratio is an operational efficiency ratio that shows company's costs in relation to its income and calculated as sum of administrative expense and selling expense / sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

- (6) Net impairment to revenue ratio is a financial efficiency ratio that shows impairment expense in relation to company's revenue and calculated as sum of impairment of financial assets and net loss from de-recognition of financial assets measured at amortized cost divided by sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.
- (7) Non-performing loans as a share of portfolio value is a portfolio quality ratio that indicates the share of non performing loans within the total loan portfolio.
- (8) Profit before tax divided by the sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

6. Other financial data (EBITDA) of the Issuer

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited unless otherwise indicated)		(Unaudited)	
	(in Million EUR)			
Net profit for the period	4.9	2.8	3.9	4.3
Corporate income tax and deferred corporate income tax	-	-	-	-
Interest expense calculated using the effective interest method	5.5	6.1	3.5	4.1
Amortization and depreciation	1.6	0.4	1.8	1.0
Net foreign exchange result	-	-	-	-
Interest income from loans to related parties	2.1	2.4	2.1	1.6
EBITDA	9.9	6.9	7.0	7.8

The abbreviation "EBITDA" stands for: "Earnings Before Interest, Taxes, Depreciation and Amortization".

EBITDA is defined as net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, net foreign exchange result, interest income from loans to related parties and is calculated based on figures extracted from the consolidated statement of comprehensive income.

The Group believes this metric is a useful indicator of its capacity to pay interest on its borrowings.

7. Key performance indicators of the Issuer

Our key performance indicators in terms of business volume include (i) the number of registered customers; (ii) the value of loan amounts issued; and (iii) average ticket. The number of registered customers reflects the number of customers who have applied for a loan, regardless of acceptance, and whose contact information we retain. The value of loan amounts issued reflects the total amount of new loans issued during a period. The average ticket represents the average value of the loan size issued in the respective period. The table below summarizes these key performance indicators for the Issuer for the periods indicated.

	As of and for the year ended 31 December 2019	As of and for the year ended 31 December 2018
	(Unaudited)	(Unaudited)
Latvia		
Number of registered customers	18,692	22,135
Loan amounts issued (in Million EUR)	21.0	26.7
Average ticket (in Thousand EUR)	3.0	1.9

As of 31 December 2019 (compared to 31 December 2018), the number of registered customers decreased in Latvia due to portfolio sale to a joint venture AS "Primero Finance". Combined customer base of Primero and Mogo Latvia would be 21 839, a decrease of 1% compared to 31 December 2018.

The table below provides further key metrics for the Issuer for the periods indicated.

	As of and for the year ended 31 December 2019	As of and for the year ended 31 December 2018
	(Unaudited)	(Unaudited)
	(in Million EUR, except percentages)	
Latvia		
Profit before tax	4.9	2.8
Net loan portfolio and used car long term rent	35.4	37.6
Average monthly interest rate on loans to customers	3%	3%
Net margin ratio ¹	24%	14%

¹ Net Margin Ratio: Net profit to the sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

	As of and for the year ended 31 December 2019 (Unaudited)	As of and for the year ended 31 December 2018 (Unaudited)
	(in Million EUR, except percentages)	
Cost to income ratio ¹	27%	28%

Net margin is a financial efficiency ratio that show how much of revenue has been turned into net profits after tax. This is a ration the indicates the return that has been generated form the capital employed. The higher the ratio the more successful the company is in its business operations. For potential and existing lenders this provides a comfort that the higher the net margin the higher is company's ability to service its debt. Company targets net margin of more then 10%.

Cost to income ratio is an operational efficiency ratio that shows company's costs in relation to its income. The lower the ratio the higher the potential profits of the company. For potential and existing lenders this provides a comfort that the lower the ratio the higher is the company's ability to service its debt. Company targets the long term cost to income ratio to be below 30%.

¹ Cost to Income Ratio: Sum of Selling expense and Administrative expense to the sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

X. SELECTED FINANCIAL INFORMATION AND OPERATING DATA OF THE GUARANTOR

As at the date of this Prospectus, Guarantor is the parent company of the Group to which Issuer is part of.

Given that the vast majority of the revenue of the Group is generated by the direct or indirect subsidiaries of the Guarantor (including the Issuer) the individual financials would, taken as a whole, not grant any significant additional information about the Guarantor for investors.

Even though subsidiaries of the Guarantor are not liable to cover indebtedness of the Guarantor, they are sole revenue generators of the Guarantor. Therefore, for the investors in the Bonds to be able to evaluate the Guarantor's ability to repay any indebtedness, including Bonds, consequently, they have to rely on the consolidated financial information of the Guarantor as contained in this Prospectus.

The selected consolidated financial information set forth below should be read in conjunction with the respective documents incorporated by reference in this Prospectus.

The tables below present key selected consolidated financial information for the Guarantor as at and for (i) the financial years ended 31 December 2019 and 31 December 2018 derived from the Guarantor's audited consolidated financial statements as at and for the financial year ended 31 December 2019 (including comparative financial information for the financial year ended 31 December 2018) prepared in accordance with IFRS, and (ii) the nine-month periods ended 30 September 2020 and 30 September 2019 derived from the unaudited consolidated interim financial information as at and for the nine-month period ended 30 September 2020 (including comparative financial information for the nine-months periods ended 30 September 2019, consisting of the consolidated statement of financial position as at 30 September 2020 and the consolidated statements of comprehensive income and cash flows for the six months ended 30 September 2020) prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting. Where financial information is labelled as "audited", this means that it has been taken from the above mentioned audited consolidated financial statements of the Guarantor. Financial information labelled as "unaudited" has been taken or derived from the above mentioned unaudited consolidated interim financial information, from the Guarantor's internal reporting system or is based on calculations of figures from the sources mentioned before.

1. Selected consolidated statement of comprehensive income data of the Guarantor

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest revenue calculated using the effective interest method and income from car rent.....	76.4	54.5	64.9	55.8
Net profit for the period.....	6.6	4.6	(7.0)	5.1

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Total comprehensive income for the year	6.2	4.7	(7.4)	4.8

Consolidated statement of comprehensive income data of the Guarantor

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest revenue calculated using the effective interest method	72.4	53.4	60.5	53.2
Interest expense calculated using the effective interest method.....	(21.9)	(14.2)	(18.7)	(15.4)
Net interest income.....	50.5	40.2	41.8	37.8
Income from car rent.....	4.0	0.1	4.4	2.6
Fee and commission related to finance lease activities and rent contracts.....	3.8	3.4	2.9	2.5
Impairment expense	(16.7)	(17.6)	(22.8)	(9.3)
Net gain/(loss) from de-recognition of financial assets measured at amortized cost ..	(0.3)	(0.7)	1.9	(2.8)
Expenses related to peer-to-peer platform services	(0.8)	(0.7)	(0.7)	(0.6)
Revenue from car sales.....	1.8	2.5	0.0	9.8
Cost of sales of cars	(1.8)	(2.5)	(0.0)	(9.2)
Selling expense.....	(3.4)	(2.2)	(1.8)	(2.7)
Administrative expense.....	(30.8)	(16.8)	(23.5)	(24.1)
Other operating income	1.6	2.1	2.9	4.9
Other operating expense	(2.1)	(1.1)	(3.4)	(4.2)
Net foreign exchange result...	(0.2)	(0.3)	(9.3)	0.6
Profit/(loss) before tax.....	5.6	6.5	(7.7)	5.3
Corporate income tax.....	(1.3)	(1.4)	(0.9)	(0.9)

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Deferred corporate income tax.....	1.0	0.4	1.8	0.7
Net profit/(loss) for the period.....	5.3	5.5	(6.8)	5.1
Profit/(loss) from discontinued operations.....	1.3	(0.8)	(0.2)	-
Net profit/(loss) for the period.....	6.6	4.6	(7.0)	5.1
Other comprehensive income for the year/period.....	(0.4)	0.1	(0.4)	(0.3)
Total comprehensive income for the year/period	6.2	4.7	(7.4)	4.8

2. Selected consolidated statement of financial position data of the Guarantor

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Total assets	253.6	174.3	264.8
Non-current borrowings ¹	180.7	120.2	183.4
Current borrowings	34.8	30.3	41.9
Total equity¹	29.1	17.8	27.1
Total equity and liabilities...	253.6	174.3	264.8

¹ Group's shareholders have provided it with loans whose maturity as well as any payments (including interest) is subordinated towards the Senior Secured Bonds, hence they are considered to be part of equity from legal subordination perspective as they significantly strengthen Guarantor's total capital structure.

Consolidated statement of financial position data of the Guarantor

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Goodwill.....	4.1	1.7	8.8
Internally generated intangible assets.....	3.6	1.9	5.0
Other intangible assets.....	0.2	0.1	0.2
Rental fleet.....	13.5	1.4	14.1
Right-of-use assets.....	7.9	2.4	6.9
Property and equipment.....	1.6	1.0	1.5
Advance payments for assets	0.0	0.2	0.0
Leasehold improvements.....	0.3	0.3	0.5
Non-current finance lease receivables.....	78.2	62.6	61.4
Non-current loans and advances to customers.....	40.1	27.8	39.9
Non-current loans to related parties.....	20.0	5.3	15.9
Equity-accounted investees...	0.3	-	0.3
Other non-current financial assets.....	1.3	1.0	1.1
Other non-current loans and receivables.....	0.0	-	-
Deferred tax asset.....	1.6	0.6	3.1
Finished goods and goods for resale.....	0.6	1.7	0.2
Current finance lease receivables.....	37.9	31.1	41.4
Current loans and advances to customers.....	23.9	18.4	35.1
Current loans to related parties.....	2.1	0.1	2.3
Other current loans and receivables.....	0.9	4.7	0.3
Trade receivables.....	1.4	0.8	0.5
Prepaid expense.....	1.0	0.8	2.7
Other short-term receivables from related parties.....	-	0.0	-
Other receivables.....	2.5	1.3	1.8

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Cash and cash equivalents....	8.6	6.5	11.7
Assets of subsidiary held for sale.....	-	-	8.6
Assets held for sale.....	1.9	2.6	1.7
Total assets	253.6	174.3	264.8
Share capital.....	1.0	0.0	1.0
Reserve.....	0.3	0.1	0.3
Foreign currency translation reserve.....	(0.8)	(0.4)	(1.2)
Subordinated debt ¹	6.8	2.6	11.9
Retained earnings.....	21.3	15.1	14.0
Non-controlling interests.....	0.5	0.5	1.1
Total equity².....	29.1	17.8	27.1
Non-current borrowings ³	180.7	120.1	183.4
Other non-current financial liabilities.....	0.0	0.1	-
Provisions.....	0.9	1.5	0.9
Total provisions for liabilities and charges.....	0.9	1.5	0.9
Current borrowings.....	34.8	30.3	41.9
Liabilities of subsidiary held for sale.....	-	-	3.4
Prepayments and other payments received from customers.....	0.2	0.1	0.3

¹ Group's shareholders have provided it with loans whose maturity as well as any payments (including interest) is subordinated towards the Senior Secured Bonds, hence they are considered to be part of equity from legal subordination perspective as they significantly strengthen Guarantor's total capital structure.

² Group's shareholders have provided it with loans whose maturity as well as any payments (including interest) is subordinated towards the Senior Secured Bonds, hence they are considered to be part of equity from legal subordination perspective as they significantly strengthen Guarantor's total capital structure.

³ Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited)		(Unaudited)
	(in Million EUR)		
Trade payables and other payables.....	1.3	1.2	1.5
Corporate income tax.....	0.3	0.6	0.8
Taxes payable.....	1.5	0.6	1.9
Other liabilities.....	2.4	0.2	0.8
Accrued liabilities.....	2.6	1.8	2.7
Other current financial liabilities.....	0.0	0.1	0.2
Total liabilities.....	224.5	156.5	237.9
Total equity and liabilities...	253.6	174.3	264.8

3. Selected consolidated statement of cash flows data of the Guarantor

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Operating profit before working capital changes	(22.3)	(14.6)	(16.1)	(16.5)
Cash generated to/from operations	(84.3)	(68.1)	(20.6)	(62.4)
Net cash flows to/from operating activities	(35.0)	(27.4)	20.1	(26.5)
Net cash flows to/from financing activities	60.4	43.3	(10.0)	48.6
Cash at the end of the year	8.6	6.5	11.7	3.6

Consolidated statement of cash flows data of the Guarantor

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Cash flows to/from operating activities				
Profit before tax	6.9	5.7	(7.9)	5.3
Adjustments for:				
Amortization and depreciation	3.8	1.8	4.4	2.7
Interest expense	21.9	14.1	18.7	15.4
Interest income	(72.4)	(54.4)	(60.5)	(53.2)
Disposals of property, equipment and intangible assets	1.0	0.2	0.6	1.5
Impairment expense	16.7	17.6	20.9	12.1
Negative goodwill	-	-	(1.1)	-
(Gain)/loss from fluctuations of currency exchange rates	(0.1)	0.3	8.8	(0.3)
Operating profit before working capital changes	(22.3)	(14.6)	(16.1)	(16.5)
Decrease/ (increase) in inventories	1.1	(0.9)	0.4	(3.5)
Increase in finance lease receivables, loans and advances to customers and other current assets	(66.3)	(54.0)	(3.2)	(43.6)
(Decrease)/increase in accrued liabilities	(0.2)	1.2	-	-
Increase in trade payables, taxes payable and other liabilities	3.5	0.1	(1.7)	1.2
Cash generated to/from operations	(84.3)	(68.1)	(20.6)	(62.4)
Interest received	70.5	54.3	60.2	53.3
Interest paid	(19.4)	(12.4)	(19.1)	(16.2)
Corporate income tax paid	(1.8)	(1.2)	(0.4)	(1.2)
Net cash flows to/from operating activities	(35.0)	(27.4)	20.1	(26.5)

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Cash flows to/ from investing activities				
Purchase of property and equipment and other intangible assets	(5.4)	(1.9)	(2.4)	(9.7)
Purchase of rental fleet	(13.4)	(1.4)	(6.8)	(13.8)
Acquisition of a subsidiary, net of cash acquired	(0.8)	(0.9)	-	-
Disposal of discontinued operation, net of cash disposed of	(1.4)	-	-	-
Advance payments for acquisition of subsidiaries	(0.3)	(1.0)	-	-
Received payments for sale of shares in subsidiaries	0.2	-	-	-
Investments in subsidiaries	-	-	(3.7)	-
Loan repayments received	9.2	1.5	6.3	4.4
Loans issued	(11.4)	(10.7)	(0.4)	(5.9)
Net cash flows to/ from investing activities	(23.3)	(14.4)	(7.0)	(25.0)
Cash flows to/from financing activities				
Proceeds from issue of share capital	1.0	-	-	1.0
Proceeds from borrowings	108.3	304.7	162.4	214.8
Repayments for borrowings	(45.5)	(254.0)	(170.1)	(165.1)
Payments made for acquisition costs of borrowings	(1.5)	(5.4)	-	-
Repayment of liabilities for right-of-use assets	(1.8)	(1.8)	(2.3)	(2.1)
Payments for acquisition of non-controlling interests	(0.1)	-	-	-
Dividends paid to non-controlling shareholders	-	(0.1)	-	-
Net cash flows to/from financing activities	60.4	43.3	(10.0)	48.6
Effect of exchange rates on cash and cash equivalents	0.1	(0.2)	-	-
Change in cash	2.1	1.3	3.1	(2.9)

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited)		(Unaudited)	
	(in Million EUR)			
Cash at the beginning of the year/period	6.5	5.2	8.6	6.5
Cash at the end of the year/period	8.6	6.5	11.7	3.6

4. Net debt of the Guarantor

	As of 31 December 2019	As of 31 December 2018	As of 30 September 2020
	(Audited unless otherwise indicated, actual)	(Audited unless otherwise indicated, actual)	(Unaudited)
	(in Million EUR)		
Cash and cash equivalents	8.6	6.5	11.7
Non-current borrowings ¹	180.7	120.1	183.4
Current borrowings	34.8	30.3	41.9
Total debt	(215.5)	(150.4)	(225.3)
Net debt	(206.9)	(143.9)	(213.6)

¹ Group's shareholders have provided it with loans whose maturity as well as any payments (including interest) is subordinated towards the Senior Secured Bonds, hence they are considered to be part of equity from legal subordination perspective as they significantly strengthen Guarantor's total capital structure.

5. Key financial ratios of the Guarantor

The definitions for the following key financial ratios are contained in the respective footnotes below the following table. The Guarantor believes that such key financial ratios are a useful way of understanding trends in the performance of the business of the Guarantor over time.

	As of and for the year ended 31 December 2019	As of and for the year ended 31 December 2018	As of and for the nine- month period ended 30 September 2020	As of and for the nine- month period ended 30 September 2019
	(Unaudited)		(Unaudited)	
	(in Million EUR, except percentages)			
Net loan portfolio and rental fleet ⁽¹⁾	189.7	141.3	191.8	-
Net worth / Net loan portfolio ⁽²⁾	16%	13%	15%	-
Profit before tax margin ⁽³⁾	7%	11%	-11%	9%
Return on average assets ⁽⁴⁾	3%	3%	-3%	-
Cost / income ratio ⁽⁵⁾	43%	33%	37%	46%
Net impairment to revenue ratio ⁽⁶⁾	21%	32%	31%	21%
Non-performing loans (i.e. 60 or more days) as a share of value of portfolio of loans ⁽⁷⁾	6%	6%	9%	-

(1) Net loan portfolio and rental fleet are representing income generating assets for the company calculated as gross loan portfolio less provisions for bad debts and debt acquisition costs.

(2) Net worth over net loan portfolio indicate how much of income generated assets are financed by own funds (i.e. share capital, retained earnings, reserves). Net worth is calculated as the sum of share capital, retained earnings and reserves.

(3) Profit before tax margin is a financial efficiency ratio that show how much of revenue has been turned into profits before tax. Profit before tax divided by the sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

(4) Return on average assets is an indicator used to assess the profitability of a firm's total assets and calculated as Net profit for the period/ average assets (total assets as of the start and end of each period divided by two).

(5) Cost over income ratio is an operational efficiency ratio that shows company's costs in relation to its income and calculated as sum of administrative expense and selling expense / sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

(6) Net impairment to revenue ratio is a financial efficiency ratio that shows impairment expense in relation to company's revenue and calculated as sum of impairment of financial assets and net loss from de-

recognition of financial assets measured at amortized cost divided by sum of interest revenue calculated using the effective interest method for the relevant period, income from car rent and fee and commission related to finance lease activities and rent contracts.

- (7) Non-performing loans as a share of portfolio value is a portfolio quality ratio that indicates the share of non-performing loans within the total loan portfolio.

6. Other financial data (EBITDA) of the Guarantor

	Year ended 31 December 2019	Year ended 31 December 2018	Nine-month period ended 30 September 2020	Nine-month period ended 30 September 2019
	(Audited unless otherwise indicated)		(Unaudited)	
	(in Million EUR)			
Net profit/(loss) for the period	6.6	4.6	(7.0)	5.1
Corporate income tax and deferred corporate income tax	0.3	1.0	(0.9)	0.2
Interest expense calculated using the effective interest method	21.9	14.2	18.7	15.4
Amortization and depreciation	3.8	1.8	4.4	2.7
Net foreign exchange result	0.2	0.3	9.3	(0.6)
EBITDA	32.8	21.9	24.5	22.8

The abbreviation “EBITDA” stands for: “Earnings Before Interest, Taxes, Depreciation and Amortization”.

EBITDA is defined as net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, net foreign exchange result, interest income from loans to related parties and is calculated based on figures extracted from the consolidated statement of comprehensive income.

The Group believes this metric is a useful indicator of its capacity to pay interest on its borrowings.

XI. AUDITORS

The statutory auditors of the Issuer's Annual Financial Statements (i.e., the audited consolidated financial statements of the Issuer and its consolidated subsidiaries) for the financial year ended 31 December 2018 was SIA "Ernst & Young Baltic" incorporated under the laws of Republic of Latvia, having its registered office at Muižas iela 1A, Rīga, LV-1010, Latvia, and registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 40003593454.

The statutory auditors of the Issuer's Annual Financial Statements (i.e., the audited consolidated financial statements of the Issuer and its consolidated subsidiaries) as of and for the financial year ended 31 December 2019 was KPMG Baltics AS incorporated under the laws of Republic of Latvia, having its registered office at Vesetas iela 7, Rīga, LV-1013, Latvia, and registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 40003235171.

The statutory auditors of the Group's Annual Financial Statements (i.e., the audited consolidated financial statements of the Guarantor and its consolidated subsidiaries) for the financial year ended 31 December 2018 was Ernst & Young, *Société anonyme*, incorporated under the laws of Luxembourg, having its registered office at 35E, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B 47771.

The statutory auditors of the Group's Annual Financial Statements (i.e., the audited consolidated financial statements of the Guarantor and its consolidated subsidiaries) as of and for the financial year ended 31 December 2019 was KPMG Luxembourg, *Société anonyme*, incorporated under the laws of Luxembourg, having its registered office at 39, Avenue John F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B 149133.

XII. CHANGES IN THE FINANCIAL POSITION OR FINANCIAL PERFORMANCE

There has been no significant change in the financial position or financial performance of the Issuer or the Guarantor after the date of the unaudited interim financial reports of the Issuer and the Guarantor for the nine months ended 30 September 2020.

XIII. SELECTED PORTFOLIO INFORMATION OF THE ISSUER

The following tables present certain selected information on our operating data and our loan portfolios and ratios for the periods indicated. The following information should be read in conjunction with the Issuer's Consolidated Financial Statements included by reference in this Prospectus, as well as the Section "Selected Financial Information and Operating Data". The information in the following section is of statistical nature and based on the Issuer's internal reporting system.

Certain amounts and percentages included in this prospectus have been subject to rounding adjustments; accordingly figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be an exact arithmetic result of the figures shown here.

The tables below present key selected consolidated financial information for the Issuer as at and for the financial years ended 31 December 2019 and 31 December 2018

1. Loan portfolio and rental fleet

	31.12.2019	31.12.2018
	(in Million EUR)	
Net loan portfolio	21.9	36.2
Rental fleet	13.5	1.4
Total net loan portfolio and rental fleet	35.4	37.6

2. Loan portfolio

	Gross receivables 31.12.2019	Allowance for doubtful debts 31.12.2019	Net receivables 31.12.2019	Gross receivables 31.12.2018	Allowance for doubtful debts 31.12.2018	Net receivables 31.12.2018
	(in Million EUR)					
Latvia	26.5	(3.8)	22.7	42.9	(5.1)	37.8

3. Total loan portfolio by loan balance¹

	As of 31 December 2019		As of 31 December 2018	
	Loan amount (in Million EUR)	% of portfolio	Loan amount (in Million EUR)	% of portfolio
Outstanding Debt Amount Borrowed				
Less than EUR 2 500	7.7	34%	13.0	34%
Between EUR 2 500 - 5 000	9.1	40%	14.0	37%
Between EUR 5 000 - 7 500	4.4	20%	7.7	20%
Between EUR 7 500 - 10 000	1.2	5%	2.4	6%
Between EUR 10 000 - 12 500	0.2	1%	0.5	1%
Over EUR 12 500	0.1	0%	0.2	0%

¹ Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

	As of 31 December 2019		As of 31 December 2018	
	Loan amount (in Million EUR)	% of portfolio	Loan amount (in Million EUR)	% of portfolio
Outstanding Debt Amount Borrowed				
Total loan portfolio	22.7	100%	37.8	100%

4. Total loan portfolio by duration for which the repayment of loans are delayed¹

	As of	As of
	31 December 2019	31 December 2018
	Loan amount (in Million EUR)	Loan amount (in Million EUR)
Not delayed	16.5	27.8
Delayed 1-30 days	3.4	5.4
Delayed 31-60 days	1.6	2.7
Delayed 60+ days (NPL)	1.1	1.8

5. Sale of repossessed car from agreement termination date

	As of	As of
	31 December 2019	31 December 2018
Sale of repossessed car from agreement termination date (in days)	76	80

6. Classification of our loan portfolio²

	As of 31 December 2019		As of 31 December 2018	
	Loan amount (in Million EUR)	% of portfolio	Loan amount (in Million EUR)	% of portfolio
Performing loan portfolio	21.5	95%	36.0	95%
Non-performing loan portfolio	1.1	5%	1.8	5%
Total loan portfolio	22.7	100%	37.8	100%

¹ Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

² Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

7. Performing loan portfolio by product¹

	As of 31 December 2019	As of 31 December 2018
	Loan amount (in Million EUR)	Loan amount (in Million EUR)
Vehicle loans	18.8	33.3
Installment/ loans	2.8	2.7
Total loan portfolio	21.5	36.0

8. Non-performing loan portfolio by product²

	As of 31 December 2019	As of 31 December 2018
	Loan amount (in Million EUR)	Loan amount (in Million EUR)
Vehicle loans	1.1	1.8
Installment/ loans	0.0	0.0
Total non-performing loan portfolio	1.2	1.8
Value of loans issued	100.7	97.4
Non-performing loans as a share of value of loans issued	1%	2%

9. Allowance for loan losses³

	As of 31 December 2019		As of 31 December 2018	
	Loan amount	Allowances for loan losses	Loan amount	Allowances for loan losses
	(in Million EUR)			

Non-performing loan by product:

Vehicle loans

¹ Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

² Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

³ Data do not agree with the consolidated statement of financial position data as portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement

	As of 31 December 2019		As of 31 December 2018	
	Loan amount	Allowances for loan losses	Loan amount	Allowances for loan losses
	(in Million EUR)			
Instalment loans	3.6	2.5	5.1	3.3
Total non-performing loan portfolio and allowances	0.1	0.1	0.1	0.0

XIV. BUSINESS

1. Overview

The Issuer is largest used car financing company in Latvia, having financed already 58 000 customers since the establishment of the Issuer. The Issuer offers financial leasing, leaseback and long term rent products to its customers with a term of up to 84 months via websites, mobile channels and a broad dealer/broker network. The Issuer launched a new car sales portal, connecting professional car sellers with end customers and securing financing for transactions taking place. Customers of the Issuer are mainly consumers and small and medium enterprises who prefer easy and flexible services or to own used vehicles that are not financed by traditional bank loans due to low size tickets and entail complicated IT solutions. The convenient and fast process offered by the Issuer is highly valued by the customers.

The proven business model of Issuer is built around high demand for quality second hand vehicles and it is realized through an innovative, data-driven and fast process led by IT investments together with strong controls, efficient debt collection process, and direct footprint of partnership and broker network. With a focus on secured lending against used vehicle title and rising demand for used car rent, Issuer has unlocked a niche market for financial services and is a first mover in this sector benefitting from economies of scale and competitive advantage.

Issuer's main products are financial leasing, where the services of the Issuer are used by customers to acquire the vehicles, leaseback financing, where the customer sells and leases back to the Issuer the vehicle that it owns and long term rent, where the Issuer enables for customer to use car for 18-60 months without immediate ownership ability. One of the key competitive advantages offered by the Issuer is the ability to underwrite, score, scrutinize the vehicle and complete the financing and title change process in a very timely manner.

The Issuer uses diversified marketing channels to reach out to potential customers. The marketing strategies range from traditional mass media (including television and radio) to digital channels, SEO techniques and affiliates). The Issuer has established a large network of partnerships and brokers (car dealerships, non-banking financial intermediaries) which are key to the success and the growth of the company. Once customers apply for a financing, their creditworthiness is determined through a sophisticated underwriting process, which relies on data-driven statistical analysis as captured in Issuer's proprietary scoring models. In addition, The Issuer has created automated instant car valuation models. The models are flexible and can be adjusted to changes in the markets and environment, allowing the Issuer to adapt quickly and to maximize existing opportunities. The investments in IT and the underwriting process enables the Issuer to issue an instant preliminary offer based on the car value and the scoring allocated to the customer ensuring a convenient process for the customers. The Issuer has the ability to change the title to the car in a short period of time and are evaluating all vehicles that are funded. With an excellent customer service delivered through a call center and branch the Issuer ensures high customer satisfaction. The Issuer has established an efficient debt collection process to maximize the recovery rate from the loans including the sale of the financed cars.

The Issuer's headquarter is based in Riga (Latvia), where also most profitable and mature market is.

The table below sets forth the websites currently used by the Issuer to provide its services through the internet platform. The content of these websites is not part of this Prospectus.

www.mogo.lv

www.renti.lv

As of 30 September 2020, the net loan portfolio and used car long term rent was EUR 26.1 million compared to EUR 35.4 million as of 31 December 2019. In the first nine months of 2020, the Issuer generated net profit of EUR 3.9 million.

2. Strategy

Issuer's and Group's strategy is to be leading used car financing and rent company, enabling customers mobility. This will be achieved by profitable growth built on four main pillars: (i) instant financing access, (ii) diversified car dealers - partners network, (iii) tailored product portfolio, (iv) diversified funding.

In Latvia the Issuer is leading used car financing company. Further development and digital transformation is required to secure leading market positions and be ahead of competitors developments.

The backbone of the growth of Issuer is to have access to diversified and efficient funding sources. Diversification in the capital structure is the key for further growth in the future including the issue of Bonds. Such funding source provides the benefits of having a very stable investor base.

3. Key Strengths

Proven and sustainable business model

Issuer focuses on secured lending and used car rent services by being car owner in all offered products. Vehicles funded by the Issuer are high quality used vehicles (top three car makers financed by the Issuer are AUDI, BMW, and Volkswagen) that are known for their reliability and robust aftermarket value. Therefore, the loan-to-value of the loan issued decreases constantly during the entire term. Moreover, by keeping the ownership of the vehicle, the Issuer can always sell the vehicle should a loan be in a default or rent obligations are not fulfilled.

The Issuer analyses the creditworthiness of its customers via public and private databases (car register information, government institution databases, debt collection agency databases, industry / peer company blacklists and bank statement providers) and allocates a scoring band to the customer. The automated scoring model is based on third party and in-house models and allows the Issuer an efficient assessment of the counterparty risk. The approval rate of the Issuer is extremely rigorous: during 2020 up to November 30, out of approximately 76,516 applications received the Issuer has kept an average approval rate of 5%.

The Issuer has created a sophisticated automated car evaluation. The underlying data in the tool is regularly refreshed through an automated process from leading local and regional online car sale webpages and takes into account a large number of parameters, including car model, maker, year, transmission, engine type, engine size and others. The Issuer automatically and instantly provides allowed car value acceptable to financing transaction.

The secured lending or rent, fast credit assessment, and rigorous decision output ensure that the risk profile of the Issuer's products remains lower compared to unsecured consumer lending products.

The Issuer is a leading player in the Latvian used car lending by ensuring a widespread network of used car sales dealers and convenient digital channels. The Issuer uses traditional and digital marketing channels. The Issuer benefits from the high visibility that its marketing has helped to develop and the investment in marketing technologies enables the Issuer to target the most efficient marketing channels for specific customer groups. While the Issuer is

using a data-driven marketing strategy including the dealer's network to attract potential customers, their suitability will be determined by the scoring model based underwriting process.

Simple and transparent product offering

The Issuer's products are designed to offer simplicity, convenience and transparency to the customers. The convenient online and mobile loan products aim to protect customer privacy, provide easy online access to funding and offer transparent fee and interest structures. Financial leasing and leaseback are long-term loans (up to 84 months) while long term rent is offered for up to 60 months. Product pricing ranges from 2%-4.2% per month, payable monthly on the outstanding principal payable while issuance fee ranges 0-10% depending from product. While penalty interests are charged for delayed loans, this is a minimal proportion of the income and shows the resilience of the customer base. The Issuer applies transparent fees.

The design of the Issuer websites aims to be as simple and convenient as possible to use, providing for clear terms and conditions. Typically, customers can expect a decision on desired car financing or long term rent in up to thirty minutes after submitting an application. The customers value the Issuer's services as an important component of their personal finances because of the convenience and transparency of the products compared to other available alternatives.

Strong presence at used car sellers serving customers at the core of their need

A significant part of used car sales takes place in physical car sales markets. These are the places where potential customers can see and test the car as well as interact with the seller directly. Having recognized this opportunity, the Issuer has put in place dedicated partner account managers and specific partner programs in order to establish a business relationship with used car sellers. The Issuer's brand is then promoted when a potential customer approaches the car seller with an inquiry about available financing options. Professional car dealers can act on behalf of the Issuer and conclude all necessary documents with customer after offer from the Issuer is granted. This allows to customer to leave car dealership with desired already at first visit.

As of 30 November 2020 the Issuer entered into cooperation contracts with 284 car dealerships, which covers around 84% of professional car dealers in Latvia.

Innovative, data-driven business processes

The Issuer has the capacity, experience and expertise to stay ahead of competitors in terms of innovation regarding the services and product offerings, expansion capabilities, ease of use, customer convenience and car dealers network. In addition, the IT systems have demonstrated a track record for reliability and performance. The Issuer take the view that its in-house IT team will be able to maintain the current level of, and further develop and strengthen the performance of its IT systems.

The Issuer uses a data-driven analysis and a data-driven decision-making process in all aspects of the business. The use of data improves the understanding of existing and potential customers, helps to optimize the marketing expenditure, and enhances the credit risk management and the efficient development of new products. For the purpose of establishing a valid credit scoring of the customer, not only traditional data sources such as credit bureaus are used, but also predictive data from alternative sources.

Sophisticated marketing technology

The marketing technology used by the Issuer is increasingly sophisticated and enables a dynamically adjust investment in different marketing channels to optimize the amount and type of traffic directed to the Issuer websites. This targeted data-driven approach attracts the potential customers who are more likely to apply for the loans, and reduces costs per acquisition of new customers, an important component of the operating costs.

Dynamic customer scoring

The in-house expertise of Group with proprietary credit scoring models containing anonymized information from over 1.5 million loan applications (as of 30 September 2020), including both traditional and alternative data points, provides valuable insight into customer attitudes and behaviours in different markets. Since the inception until 30 September 2020, Group has issued loans in the aggregate amount of more than EUR 585 million and, as of 30 September 2020, Group had reached more than 100 thousand registered customers. Group continuously learns and analyses customer behaviour patterns in all the markets where it operates, and applies summarized experience in operational markets including Latvia.

The dynamic credit scoring model aims to ensure that Group captures the highest quality and potentially most profitable customer. Group aims at setting acceptance thresholds that both minimize risks and maximize profitability. The rate of non-performing loans as a percentage of issued loans has been stable and was 3% as of 30 September 2020, compared to 2% as of 31 December 2019. Such ratio takes into account the rate of non-performing loans as of a specific date (for example, 30 September 2020) as a percentage of loans issued since the inception of Group.

Real time car valuation

For the purpose of evaluating the used cars, the Issuer has internally developed a state-of-the-art solution using data from leading local and regional online car sale webpages and state transport authority database. Tool takes into account a large number of parameters, including car model, maker, year, transmission, engine type, engine size and others. The Issuer automatically and instantly provides allowed car value acceptable for financing transaction.

Customer service with focus on high customer satisfaction

Customer satisfaction and operational excellence is the key for the Issuer in order to serve the customers at the core of their needs once they have made the choice of buying a new car.

The Issuer has developed a dedicated customer service department delivering increasingly convenient customer support. The Issuer continuously works to improve customer satisfaction by creating personal contact with the customers through telephone calls, e-mails and chats to, among other things, discuss product options, address the customers' questions, inform the customers of their payment due dates and encourage on time payment, discuss options of late payments and help customers with their applications. In addition, the Issuer carefully monitors different customer service quality ratios, such as call waiting minutes and dropped calls. Customer service quality is one of the reasons for customers who wish to access credit again to return to the Issuer.

Established and efficient debt collection procedures

The Issuer has developed policies and procedures for internal debt collection with proven cost and recovery efficiencies.

The Issuer mainly handles all debt collection and car repossession activities in-house. Debts after collateral sale and fulfilment of inhouse collection procedures are sold to debt collection companies, thus maximizing recovered amounts. The Issuer has gained substantial expertise in debt collection strategies over the years. The Issuer monitors the results of debt collection procedures and aims to implement the most appropriate and efficient procedure, thereby increasing the effectiveness of the debt collection process.

The repossessed car sales process is handled mainly in-house. The Issuer runs own car sales business offering around 250 cars for customers. Main priority is to sell cars using the Issuer's financing instruments, thus adding effort also for portfolio growth. Simple car sales also are present. The Issuer monitors the results of repossessed car sales procedures and implements

the most appropriate and efficient procedure, thereby increasing the effectiveness of the repossessed car sales process.

Strong financial position and unit economics

The Issuer have demonstrated strong cash flow and profitability characteristics, which are also one of several the most mature Group countries as regards the total loan portfolio. In the first nine months of 2020, a high net profit after tax margin and return on average assets of 30% and 7%, respectively has been reached. The Issuer employs a conservative strategy regarding the maturity profile of the balance sheet.

The Issuer operates with a highly efficient cost base and infrastructure. The cost to income ratio for the Issuer was 31% for the first nine months of 2020.

Experienced management with proven track record

The executive team and country managers of the Issuer consist of experienced professionals who have worked in different segments of the international financial market and the banking sector. Their knowledge, experience and support have proven to be significant assets to the Issuer both on the strategic front and in the development of new products. Their knowledge, experience and support are an asset for the Issuer and provide the Issuer with a significant competitive advantage.

4. Products

a. Long term rent

In a Long term rent, which the Issuer offers through its fully owned subsidiary AS Renti, car which already belongs to AS Renti is offered or AS Renti acquires car selected by customer. Customer then can use the vehicle during the rental period and pay series of rent payments. After the end of rent term car should be returned to AS Renti. Customers can apply to purchase rented car, what is further evaluated by AS Renti and residual value set. . Rent can be offered for cars up to EUR 8,000 for a term of up to 60 months. The Issuer disburses the payment to a car seller only once it has inspected the vehicle and received an official record about the vehicle being registered under AS Renti name in cases when rental car is selected from car sellers. If rental payments are compared to leasing financing, nominal interest would range from 2.5% to 4.2% per month. No issuance commission is applied.

Main difference from leasing product is higher flexibility for customer: despite the agreement term customer can return car after 18 months. Only 2 months' rent payment has to be paid as contract breakup fee and defects to be compensated if any occurred during rental period.

Rent product currently comprises largest part of the Issuer's portfolio as well as is most demanded customer product in terms of new sales.

b. Financial Leasing

In a Financial Leasing the Issuer purchases a vehicle that a customer (lessee) has selected, the lessee then can use the vehicle during the lease and pay series of instalments. After the full principal repayment of the loan, the lessee becomes the legal owner of the vehicle. The Issuer provides loans in amounts up to EUR 15,000 for a term of up to 84 months. The Issuer disburses the payment to a car seller only once it has inspected the vehicle and received an official record about the vehicle being registered under the name of the Issuer. At that point the lessee becomes the holder of the vehicle while the Issuer retains the legal ownership of it. Customers have the option to repay the loan before the end of the term. Nominal interest ranges from 2.3% to 3.0% per month. The Issuer applies an average 10% issuance commission, which is normally added to the principal amount

c. Leaseback

In a Leaseback the Issuer typically purchases the vehicle directly from the customer, the customer then continues to use the vehicle and pays monthly instalments while the Issuer becomes the legal owner of the vehicle. After the full principal repayment of the loan, the customer becomes the legal owner of the vehicle. The Issuer provides loans in amounts up to EUR 15,000 for a term of up to 84 months. The Issuer typically disburses the loan to the customer only once it has inspected the vehicle and received an official record about vehicle being registered under the name of the Issuer. At that point the previous owner becomes the holder of the vehicle while the Issuer retains the legal ownership of it. Customers have the option to repay the loan before the end of the term. Nominal interest ranges from 2.3% to 3.0% per month. The Issuer applies an average 10% issuance commission, which is normally added to the principal amount.

d. Instalment Loans

Currently instalment loans are not being issued. Outstanding portfolio of the Issuer comprises EUR 1.7 million as of 30 September 2020 with average weighted maturity 60 months and 54% annual percentage rate.

5. Geographic Markets

The revenues of Group are principally derived from operations in Estonia, Georgia, Latvia, Lithuania, Armenia, Romania, Belarus and Moldova which together accounted for 71% and 82% of its net loan portfolio as of 30 September 2020 and 31 December 2019, respectively.

Revenues are also derived from the other markets where Group operates, including Poland (since January 2017), Bulgaria (since March 2017), Albania (since December 2017), Uzbekistan (since December 2018), Kenya (April 2019), Uganda (since May 2019) and North Macedonia (since August 2019).

Before entering new markets, Group carefully considers local regulatory and tax issues, typically hiring international or local legal and/or tax advisors for advice on such matters. Group then also obtains general market research from its advisors on the new country market environment. Before starting operations, Group also typically collects statistical data on the industry as a whole, such as the availability of credit bureaus, and other data, such as the size of the used car market, competitive factors, potential partnerships, the environment and potential customers in the potential new markets. Once a country is selected for expansion, Group starts to test the market and adapts its scoring and decision-making systems to the new country.

XV. PHYSICAL FOOTPRINT

A significant part of used car sales takes place in physical car sales markets. These are the places where potential customers can see and test the car and interact with the seller directly. Having recognized this opportunity, the Issuer has put in place dedicated partner account managers and specific partner programs in order to establish a business relationship with used car sellers. The Issuer's brand is then promoted when a potential customer approaches the car seller with an inquiry about available financing options. Professional car dealers can act on behalf of the Issuer and conclude all necessary documents with customer after offer from the Issuer is granted. This allows to customer to leave car dealership with desired already at first visit. Such partnerships are beneficial for both – the Issuer and the used car seller – as they helps to reach the Issuer's customers at the core of the sales activity and they also help to drive the cars sales volumes of the car seller.

As digital solutions are evolving and taking into account strong established partners network, the Issuer optimized its cost base by closing physical branches for customer service and keeping only one in strategic location as at central office of car register – where the formalities for the transfer of the car has to take place.

XVI. MARKETING

The Issuer has invested in data-driven marketing analysis, allowing the deployment of an efficient marketing mix and attracting potential customers in a targeted and performance based manner. The Issuer's marketing spending is planned around 1% from revenue.

During 2020 new Issuer's group brand AutoTev was introduced, representing car sales portal where offers only from professional car dealers can be found. In addition, if customer applies for any of cars in car portal, leasing or rent offer is provided. Portal strengthens relationship between car dealers and the Issuer as for dealers this is one more car sales channel free of charge while for the Issuer channel is for additional customer attraction. During the year 2020 various brand awareness marketing activities have been carried out.

The Issuer has launched new user-friendly websites during 2020 and further plan to add new features during 2021. The Issuer's plan is to create a customer friendly profile, easy payment and consent system on the web page.

The Issuer is actively branded at car sellers car lots - places where a potential customer would search for a car. We aim to create a strong brand presence so we would be a top of mind choice when customer needs financing for a car.

The Issuer's key routes to market include also online marketing channels such as cost per click (CPC, also referred to as pay per click, PPC), which is a model of internet marketing where advertisers pay a fee each time one of their ads is clicked. This is an important performance marketing channel, where the most relevant promotion and placement has a higher likelihood of driving consumer action with greater efficiency. An increasing focus of the marketing strategy of the Issuer has been Search Engine Optimization (SEO), i.e., enhancing the visibility of a website in a search engine's unpaid search results. Affiliate marketing, where a commission is paid for each successful loan transaction, and other internet marketing tools, such as website display advertising drive additional volume and coverage across the target audience.

The marketing strategy of the Issuer is made and being constantly upgraded and updated based on its customer information, such as lifestyle, needs, financial and social position, as the Issuer realizes favourable unit economics different brand building marketing activities are also considered in order to establish top of mind brand in the segment.

As part of Issuer's corporate responsibility program, support is provided to sponsorship programs, which have historically attracted increased brand awareness. For example, support has been provided to Latvian Hockey Support Society and Latvian volleyball federation.

1. Marketing organization and development

The Issuer has strong inhouse marketing team which contributes to the development of the most efficient marketing solutions as well as attracts potential customers in a targeted and engaging manner.

The Issuer is also collaborating with third parties - top local marketing agencies.

2. Potential customers

The Issuer's potential customers are consumers and small and medium enterprises that use alternative financial services and prefer to own used vehicles or use flexibility of rent service that is not offered by traditional banks due to the low ticket size, inefficient underwriting process and complicated and inefficient loan application process and long turnaround times for such loans.

Since the Issuer offers secured lending with a vehicle as a guarantee, the vast majority of its customers has serious intentions and is aware of the risks related to the financing products.

The Issuer's customers value the convenience and the fast and easy process offered by the Issuer.

3. Below The Line (BTL) Marketing channels

a. Search Engine Marketing

The Issuer uses Google search engine paid content ads or unpaid searches in order to reach potential customers who are looking for financing products or long term rent products. It is important for the Issuer to reach the top positions at these search results, but at the same time to be effective and profitable.

While having the right and most effective search ad bid strategies a lot of effort is put in Search Engine Optimization (SEO) on each of the Issuer's websites. The Issuer enhances organic search results by increasing the depth of information and interaction in its websites. As a result, content marketing have become an important part of the Issuer's marketing mix.

b. Paid Social media ads

Facebook, as the leading social network in the world, holds a lot of information about its users which are monetized through selling ads on its social networks – Facebook and Instagram. Facebook ads are targeted to users based on their location, demographic, and profile information. The Issuer uses Facebook ads to attract potential customers by showing them the best and most appealing offers and financial solutions. With Instagram ads the Issuer drives awareness and increases its customer base through visuals.

c. Display ads

The potential customers of the Issuer can find information about financial solutions in different local online media sources, such as car portals, blogs and news websites. The Issuer works with these media channels to offer their visitors what they might be looking for, by strategically showing the Issuer's image format messages (banner ads) to potential customers at the right place and the right time.

The Issuer uses also Google Display Network for all the stages of the sales funnel - prospecting, lead generating and converting. These networks provide a wide set of targeting options such as geography, interests and customer behaviour. YouTube is a part of Google Display Network where the Issuer is placing not only banner ads, but also video ads.

Along with Display ads on different media, the Issuer also uses Google Remarketing tools that help the reconnection with customers who have visited the Issuer's website by showing relevant ads across their different devices.

d. E-mail and SMS marketing

To retain customers or upsell the Issuer also uses e-mail and SMS marketing with segmented custom messages. It is planned to enhance e-mail and SMS marketing with automation features which will allow delivery of even more customized messages at the right time to the right users.

4. Above The Line (ATL) Marketing channels

The Issuer also conducts effective ATL advertising campaigns to increase awareness, drive trust, provide messages of reassurance, and simply to be right next to its customers.

Digital channels and radio are the most used channels where the Issuer gets a good coverage of the target audience. Different offline marketing channels besides these two are also used, such as outdoor advertising (print and digital billboards, transit advertising on buses, taxis etc.), and print materials like booklets, flyers and others.

XVII. UNDERWRITING AND REVIEW

1. Overview of the underwriting and review process

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

The Issuer's customers are private individuals and small and medium enterprises that apply for financing and rent products online, through Issuer's partners or in branch. Loan and rent issuance is based on data driven underwriting, key processes are automatized based on a scalable and efficient proprietary IT platform.

In the sector of leasing and rent, Issuer is proud of internally developed state-of-the-art solutions for automated car valuation and client scoring. The underlying data in the Car valuation tool is regularly refreshed through an automated process from leading local and regional online car sale webpages and takes into account a large number of parameters, including car model, maker, year, transmission, engine type, engine size and others. The Issuer automatically and instantly provides allowed car vale acceptable to financing transaction.

Country-focused client scoring tools take into account parameters from potential customers such as payment discipline (assessed on credit databases and internal and external blacklists), customer profile, income and liabilities, customer personality.

Each customer's identity is checked through external web verification service, at the Issuer's or partner's branches.

The underwriting process is mostly performed automatically using the Issuer's proprietary IT systems. The processes requiring manual input, e.g. receipt of customers' applications at physical points of sale and manual customer identification are as much automatic as possible.

Review process of each application consists of the following steps:

1. Loan application processing and preliminary assessment;
2. Risk evaluation and scoring;
3. Vehicle inspection;
4. Final loan approval and loan issuance.

2. Loan application processing

The Issuer's underwriting process is automated to the maximum possible extent. The issuance policy sets detailed process overview including business "hard" rules (e.g. age limits, eligible customers, revenues, vehicles, indebtedness levels), fraud rules and scoring models for decision making.

During the loan and rent application processing, the preliminary data in each application are cross-checked and supplemented. If needed, the customer is asked with further information, preliminary fraud and blacklists checks are performed and vehicles are automatically valuated. During the loan and rent application processing, the most important steps are the verification of the customer's eligibility for the Issuer's financing or rent, based on the information related to the customer's financial, economic and reputational information and also based on the transaction terms applied (advance payment/security deposit, length, exposure, type of

vehicle being financed/rented). After such steps are successfully completed, the customer receives a preliminary offer.

3. Risk evaluation and Scoring

During the risk assessment and scoring evaluation stages, credit databases are checked, customer's income information analysed, customer indebtedness calculated and evaluated. The internally developed scoring tool gives a clear score that enables an informed granting decision. With the increase of the loan and rent portfolio, the scoring models are updated with newly available data.

4. Vehicle inspection

Vehicles are physically checked by the Issuer's customer service team or authorized partners before a decision on the loan or rent application is taken. Final adjustments on the loan amount and other terms are made and documents to be signed are automatically generated.

5. Final approval and loan or rent issuance

The terms of the Issuer's loan and rent agreements comply with local laws and regulatory guidance. Regulations may have an impact on interest rates, handling fees, commission fees, penalty fees, personal information disclosure, customer withdrawal rights, loan amendments (early repayments, term changes, takeover) and other terms. The loan documentation is signed physically or with electronic authentication/digital signature.

XVIII. PORTFOLIO MANAGEMENT

Customer Service

The Issuer has developed a customer service department amounting to 18 full-time specialized employees as of 31 October 2020.

Customer-focused service is ensured in line with local market practice. To ensure consistent quality of customer service operations, service standard has been developed, which includes (i) customer service and quality principles, (ii) best practices and requirements for managing customer service and (iii) internal procedures to ensure effective knowledge sharing and continuous improvement of operations. On a daily basis, the customer service is improved through regular benchmarking, experience sharing, and targeted projects supervised by the Group's operations team to roll-out best practices across the Group.

Issuer's customer service is based on the following six core pillars to ensure convenience and high-quality customer experience:

- 1) *Single point of contact*: The customer service works on a premise to never redirect the customer to other colleagues. This approach minimizes customer drop-off and maximizes conversion. The Issuer's customer service employees are highly trained specialists able to serve the customers without any hand-offs by leveraging the Issuer's sophisticated IT platform and deep expertise in the products of the Issuer.
- 2) *Speed*: Critical success factor to the Issuer's car loan business is being able to give a binding car loan offer to the customer within a short period of time (approximately 15 minutes). The Issuer closely monitors key performance indicators on its response times; the channels where speed is most critical (e.g. sales through partner network) are prioritized.
- 3) *Strategic locations*: the Issuer has established branch in main car register, thus having majority of car registrations in Latvia to go through this location. Furthermore, being at this location, offers high visibility to customers.
- 4) *Ease of access*: the Issuer is accessible by phone, web, e-mail, chat, social networks, at its branch and partner's branches. This setup gives the Issuer's customers a wide range of convenient contact options and allows the Issuer to drive customer conversion rates.
- 5) *Call Center*: the Issuer has a dedicated and fully-staffed customer service, which is able to service customer needs efficiently and in most convenient way to customer.
- 6) *Procedures*: the Issuer has rolled-out detailed client service procedures complying to local regulatory requirements and customer specifics. They are overlaid by Group customer service standards to ensure consistent service quality across all countries. A dedicated team from Group drives the consistency of customer service standards, serves as the source for best practices and works with local country management to continuously improve the effectiveness and efficiency of local customer service organizations.

The Issuer motivates its employees through tailored performance based motivation system. A reward of the Issuer's customer service employees is given for sales performance, efficiency and quality. The Issuer monitors key performance indicators at all levels of organization, and the performance is benchmarked against peers, other teams, and other markets.

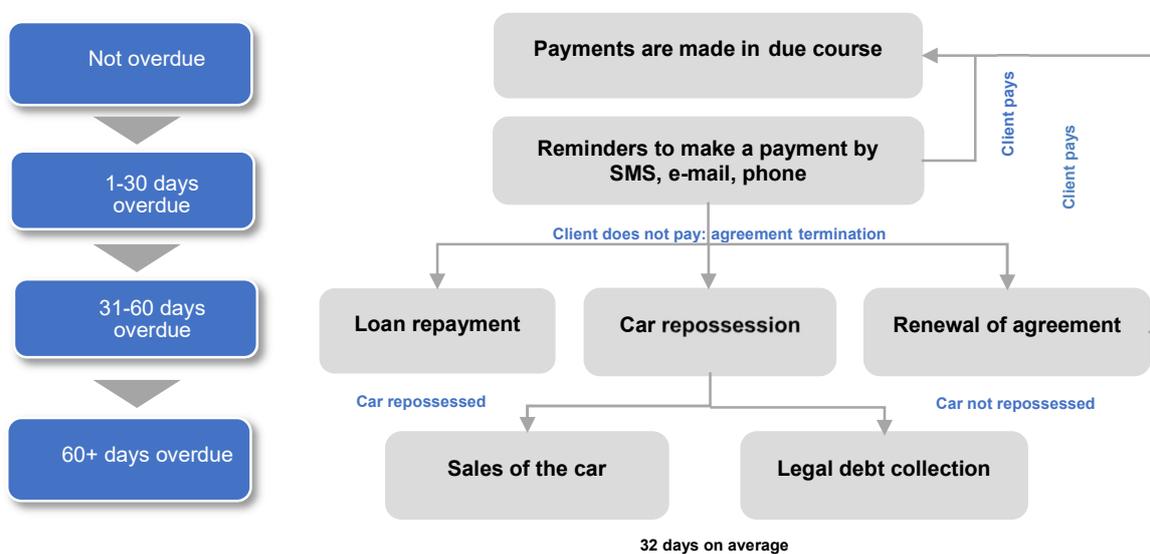
The strong customer service department and high-quality processes resulted high client retention.

Processes of risk evaluation, vehicle assessment, fraud detection, scoring and loan approval process are kept ensured by the Issuer employees, while partners may be involved in the process of application and documentation submission, vehicle inspection and loan document signing. The typical partners for leasing and rent product are broker firms and used car dealers.

Debt collection

The Issuer has established an efficient and effective debt collection process with dedicated team following with local regulations. The Issuer's strategy is focused on maximizing the dialogue with customers and recovering payments. When the Issuer assesses that a customer can repay its loan, it offers various options and tailors the offers to such customer. When the Issuer assesses that the customer will not be able to continue a successful relationship, a quick and efficient repossession of the collateral and subsequent sale of it is strived, while maintaining full transparency with the customer about the process.

Fast process: From overdue to realize collateral lasts ~ 4



The Issuer adjusts its approach based on the stage of the overdue loan (the Issuer classifies a loan as non-performing if it is more than 60 days overdue):

- 1) Before the loan becomes overdue, the Issuer has an automated reminder process that ensures that the client is aware of upcoming payment and payment details.
- 2) Since payment is 1 day overdue, the Issuer launches its automated reminder system (auto-calls, texts, e-mails) mixed with physical calls from inhouse debt collection team. Customer is informed about the overdue amounts, the further actions if payment will not be made, and the Issuer's contacts to discuss the potential options. The Issuer constantly monitors the effectiveness of the debt collection strategy and mix of automated against human based solutions.
- 3) The overdue loan is terminated before overdue reach 50 days if applied debt collection strategy is not efficient. After agreement termination customer is still offered to renew terminated agreement and settle delayed amount. Other option is to voluntarily return the vehicle. When this approach is not successful, the Issuer's in-house car repossession experts work with customers to recover the collateral.
- 4) After vehicle repossession, the vehicle is put up for sale in the Issuer's car lot. Before sale car is repaired, washed and prepared for sale. Whole process, including car

preparation until sale of collateral takes up to 80 days. The outstanding debt (if any) is then recovered through an unsecured recovery process of the Issuer and using inkasso services or sold to external debt recovery agencies

To ensure consistent quality of debt collection operations, the Issuer has developed debt collection service standards that include (i) debt collection principles, (ii) best practices and requirements for the debt collection department and (iii) internal procedures. On a daily basis, the debt collection organization is improved through regular benchmarking, experience sharing, and targeted projects supervised by the Group's operations team to roll-out best practices across the Group.

XIX. INFORMATION TECHNOLOGY

IT department of Group supports the full lifecycle of product development and optimization. Group embraces effective design principles and applies value driven prioritization principles to maximize return on the time invested by the IT department. This approach aims at building solutions based on validated business needs, with a focus on running solid and stable systems minimizing maintenance costs but maximizing customer conversion rates and streamlining portfolio administration.

Credit Management Systems

Group has two regional systems for processing credit applications and managing the credit lifecycle. Each system is tailored to support at best business processes in the particular region where it is deployed. Group relies on technology diversity and benefits from having two systems available to run business independently without building redundant cross dependencies. In each country where it operates Group sets up one of its two systems and aligns the processes to obtain business process similarities across countries of operation. This approach ensures that Group's business processes are unified where possible across all system installations (countries) – this significantly simplifies user support, system maintenance and updates provided by IT departments. Furthermore, Group ensures a unified business control function and that the key performance indicators (KPI) are gathered in a qualitative and comparable way. All above outlined has historically allowed Group to launch business operations in a new country in 5 to 10 weeks' time, and to launch businesses in several countries in parallel.

IT Practices

However, as any other company, Group has to retain a certain degree of flexibility in order to secure leading market positions in the countries where it operates. Group's IT systems are easy customizable without breaking business processes. Group does not distribute business processes across multiple systems and platforms but rather focuses on building systems relying on loosely coupled processing modules.

The IT engineering team of Group is a mix of experienced developers and testing engineers, all focused on delivering stable solutions. The IT engineering team of Group is co-located; this approach ensures effective communication during the most critical phases of software development life cycle – clarification of requirements, design definition, test planning, test result analysis, and unconformities elimination. By doing so, no details are missed.

Group has embedded proven test practices in the area of test automation. Comprehensive regression test suite is fully automated; it is continuously extended and maintained by the IT engineering team. The deployment process is defined to restrict update installation if updates didn't pass all the verifications defined by the regression test suite.

Infrastructure

The systems of Group are flexible and agile, with a solid and robust infrastructure. Group has built a unified network infrastructure and IT security system that are centrally controlled by the Group IT team. Group enforces usage and relies on standard and approved equipment in remote offices and branches in order to simplify the IT management and to ensure infrastructure stability, thus to avoid rainbow of technologies and components.

All Group's production system are hosted on Amazon Web Services (AWS) or Microsoft Azure secure cloud service platforms. Group works on automation of the infrastructure in order to support business continuity, implementing principles of "Infrastructure as Code" - allowing systems to be rebuilt or to build a new platform in a very short timeframe in remote and alternative locations.

Monitoring

There is a comprehensive monitoring system implemented and running 24/7, continuously inspecting system parameters, measuring heart-beat, harvesting statistics and analysing system/user activities. Data are aggregated to ensure 3 layer monitoring: IT Infrastructure Monitoring, System Health Check and Business Process Monitoring. Should any warning or fault be detected an alert is raised automatically.

Reporting Platform

Data warehouse (DWH) solution, together with the reporting platform, gather data from all databases into one source of truth, providing a comprehensive set of dashboards and reports for decision making and business steering in an effective way.

Microsoft Power BI (Gartner has recognized Microsoft as a Magic Quadrant Leader in analytics and business intelligence platforms for 13 consecutive years) is selected as analytics and reporting platform for management and KPI operations reports on all levels (country, region, group). Pre-processed data is available for immediate analysis and is used for various purposes, including customer scoring algorithm adjustments and target customer segmentation for new marketing campaigns.

IT Cost Control

The IT costs are being monitored continuously and revised every three months, with a focus on reassessing costs, revising investments and identifying opportunities for further optimization.

XX. CREDIT AND RISK MANAGEMENT

1. Risk management

The policy on the management of significant risks developed by the Group describes the general framework, the duties and the risk management process, which includes the identification, examination, measurement, monitoring and reporting of risks relating to the activity of the Group.

The policy pursues the following objectives, for each operational company of the Group:

- to establish the framework required for the identification of significant risks;
- to assess the exposure to credit risk, market risk, operational risk and reputational risk;
- to establish the techniques and indicators to be used for the management of significant risks, including with reference to the adequacy of the limits system;
- to allocate the risk management duties within the entity;
- to establish the framework required for risk reporting (reporting typology– indicators, content; frequency, users);
- to establish the entity's risk profile in line with the entity's business strategy;
- to establish the measures required for addressing the conflicts of interests at the level of the risk management function and the conditions required for the independent exercise of the risk management function.

2. Risk management process

The Risk Management process consists of 4 main parts:

- Risk identification
- Risk management
- Risk monitoring
- Risk control

The Group, including the Issue has defined the following significant risks: (i) the credit risk, (ii) the market risk, (iii) the operational risk and (iv) the reputational risk.

a. The Credit Risk

The Credit Risk is the most important risk that each company of the Group, including the Issuer, must manage. The Credit Risk identification is performed based on two approaches:

- During the loan and rent application assessment stage, upon customer selection and loan or rent application analysis.
- During the stage subsequent to the granting of the loan or rent, throughout the implementation of the loan or rent agreement.

The verification of eligibility focuses on the level and type of income and the indebtedness level of the customer. The assessment may result either in an automated rejection of the customer or in the assignment of a high-risk level, in which case the application will be assessed, for approval purposes, by the senior team member.

Credit risk management means that, once the risk is identified, collection measures shall be adopted, according to the flow predetermined in the collection procedure, based on clearly defined roles and duties and on the use of adequate instruments.

Credit risk monitoring requires that the risk identification activity be carried-out on a constant basis, according to consistently applied rules and based on updated information,

while the results derived from the identification process shall be part of a management process aimed at settling the issue.

b. The Market Risk

As far as Group's business plan is concerned, the market risk implies three components: (i) the foreign currency risk, (ii) the interest rate risk and (iii) the price risk (related to the collateral in case of secured loan), last two applicable to the Issuer.

The monitoring of the above risks within the Group implies (specifically last two apply to the Issuer):

- The monitoring of the net currency position for each foreign currency and the assessment of the impact generated by the foreign currency risk onto the capital need.
- The monitoring of the interest rate evolution and the correlation thereof between assets and liabilities/margin analysis.
- The monitoring of the fair value evolution for the collateral portfolio.

c. The Operational Risk

The operational risk of the Group, including the Issuer, comprises risks which might derive from:

- The use of the computerized systems.
- The implementation of processes (flows) and procedures.
- The adequacy of human resources.
- Information security incidents.
- Fraud incidents.
- The outsourcing of services.
- Non-compliant issues.

Operational risk monitoring is concerned with the collection of operational-type incidents into a 'registry of operational risks' and with the examination thereof.

d. The Reputational Risk

The reputational risk is concerned with the exposure of the Group, including the Issuer, to events that could adversely affect customers' trust in its products, could decrease its customer portfolio or could lead to: (i) an increased difficulty in attracting new customers; (ii) difficulty in raising financing sources; (iii) difficulty in retaining the employees; (iv) noncompliance with the requirements set forth by local authorities. The Group's, including the Issuer's, reputational risk monitoring is performed e.g. by monitoring of the local and central media, monitoring the Group's, including the Issuer's, activity with focus on the events that could expose the company to a reputational risk (specifically those related to customer relations and to the relationships with the supervisory authority) and monitoring the amount of complaints received from customers.

XXI. COMPETITION

The used car lending market in Latvia is split in two parts with lending companies that register vehicle titles under their names like Mogo, Money Express Credit and Nord Auto Līzings, and lending companies that issue unsecured installment loans for car purchase giving 30 days for customer to register car on his/her name. The Issuer is the largest player in the used car lending market with companies that register vehicle titles under their names, while Big Bank, TF Bank, Aizdevums.lv (Marginalen AB), Incredit Group and commercial banks have the biggest share of the unsecured installment loan market. At the end of 2018 subsidiary of the Issuer AS Renti has launched a new product – used car long term rent, where a client can rent the desired vehicle instead of leasing it, and to return it after 18 (eighteen) months, covering costs of defects during the used period and 2 months early repayment fee. At the end of 2020 used car rent segment competition has increased by 2 new market players Current and Watu. Both competitors are trying to enter rent market with similar conditions as offered by AS Renti.

XXII. REGULATORY FRAMEWORK

The Issuer is a licensed leasing (consumer lending) non-banking company and is required to comply with rules on consumer lending and consumer rights protection, prohibition against unfair commercial practices, personal data processing requirements, debt collection legislation, money laundering and terrorism financing prevention requirements and civil law.

A license is required for consumer lending in Latvia. Except for the credit institutions and other companies that fall under the exceptions provided under the Consumer Rights Protection Law of the Republic of Latvia, only companies having received a special license may provide credit services to consumers in Latvia. All activities regarding consumers and licenses, including compliance with anti-money laundering provisions, are supervised by the Consumer Rights Protection Center of Latvia.

Legislation sets forth requirements in respect of the relationship between lending companies and their customers as they relate to marketing and remote selling of leases, consumer loans, the terms of consumer loan agreements and information that must be disclosed to prospective customers prior to entering into a lease or loan agreement, calculation of annual interest rates and limitations of penalties and interest, assessment of consumer solvency, right of withdrawal, as well as personal data processing, client identification and due diligence under anti-money laundering procedures and debt collection.

The Latvian Consumer Rights Protection Law sets forth Latvia's general rules on consumer credit. On the basis of the Latvian Consumer Rights Protection Law, numerous important regulations of the Cabinet of Ministers of Latvia have been adopted, including: Regulations Regarding Consumer Credit and Regulations Regarding Distance Contracts for the Provision of Financial Services. In addition, based on the applicable laws and regulations the Consumer Rights Protection Center of Latvia has adopted several non-binding guidelines for the provision on consumer lending services containing recommendations of the Consumer Rights Protection Center to the consumer crediting service providers. On 16 October 2018 a law amending the Latvian Consumer Rights Protection was enacted. Such amendments stipulate that the total cost of a consumer's credit cannot exceed 0.07 per cent per day, or about 25% per annum. These amendments also prohibit the promotion of lending services, except at the premises of the lender or its intermediary, or on their website or mobile application, as well as personally addressing potential clients on-site or by telephone. The amendments to the Latvian Consumer Rights Protection Law entered into force on 1 July 2019.

The Latvian Law on the Prevention of Money Laundering and Terrorism Financing sets forth Latvia's general rules on prevention of money laundering and terrorism financing, including, identification and due diligence of the customers of non-banking credit institutions.

The enforcement of the claims arising from consumer-credit contracts are to a great extent set forth in or affected by other legal acts, most importantly in the Latvian Law On Extrajudicial Recovery of Debt and the Civil Procedure Law.

Issuer's main products are financial leasing, where the services of the Issuer are used by customers to acquire the vehicles, leaseback financing, where the customer sells and leases back to the Issuer the vehicle that it owns and long term rent, where the Issuer enables for customer to use car for 18-60 months without immediate ownership ability. One of the key competitive advantages offered by the Issuer is the ability to underwrite, score, scrutinize the vehicle and complete the financing and title change process in a very timely manner.

XXIII. INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE GROUP

Back in 2012 the founders of the Issuer realized that people willing to drive quality second hand used cars lacked financing availability. At the same time the value of those cars over the course of three to four years of utilization was stable and depreciated significantly slower than the value of the new cars. On top of that, the demand for used cars and actual sales volumes were much higher compared to those for new cars. The idea of Mogo was born. Financing any cars people want to drive irrespective of age or other constraints. Group fulfils dreams and needs for mobility and freedom.

As the company was growing, it realized that people around Europe shared the same dreams in line with the Issuer's offering. Hence Group successfully expanded its operations.

From 2013 to 2014, Group initiated operations in Lithuania, Estonia and Georgia, from 2016 to 2019, Group initiated additional operations in Poland, Romania, Bulgaria, Moldova, Albania, Ukraine, North Macedonia, Armenia, Uganda, Kenya and Uzbekistan through the establishment of new start-up entities. See "Legal Structure" below.

In 2017, the Issuer launched Instalment Loans in Latvia. And in 2018, the Issuer launched long term rent product through its subsidiary AS Renti.

Currently operating in 16 countries – Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Bulgaria, Moldova, Belarus, Albania, Armenia, Ukraine, North Macedonia, Uganda, Kenya Uzbekistan – The Group is still growing.

1. General Information about the Issuer

Legal and Commercial Name, Business Address and Website

The legal and commercial name of the Issuer is AS "mogo".

The registered office of the Issuer is at Skanstes iela 52, Riga, LV-1013, Latvia, its telephone number is +371 669 00900.

The website of the Issuer is www.mogo.lv. The information on the website of the Issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

History and Development of the Issuer, Commercial Register

The Issuer was incorporated on 3 May 2012, and operates offering leaseback products in Latvia in July 2012 and financial leasing products in August 2012, under the laws of Republic of Latvia as a joint stock company (Akciju Sabiedrība) with unlimited duration under the legal name of "Autocredit.lv.". The legal name of the Issuer has been changed from "Autocredit.lv" to "Mogo" pursuant to the decision of the then sole shareholder of the Issuer, recorded in Register of Enterprises of the Republic of Latvia on 25 September 2012.

The Issuer is registered with Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 50103541751.

In 2017, the Issuer launched Instalment Loans in Latvia. And in 2018, the Issuer launched long term rent through its subsidiary AS Renti.

Business Purpose and Objectives of the Issuer

The main area of Issuer's activity is the leaseback of vehicles or crediting against the vehicle already owned by the client and financial leasing of vehicles and through its subsidiary AS Renti also long term rent.

Pursuant to article 3 of the restated articles of association (*Statūti*) of the Issuer dated 27 July 2020, as amended pursuant to shareholder resolutions dated 27 July 2020, the Issuer is engaged in the main business activities as follows:

1. Financial leasing (NACE 64.91);
2. Other credit granting (NACE 64.92);
3. Other financial service activities, except insurance and pension funding not elsewhere classified (NACE 64.99);
4. Other activities auxiliary to financial services, except insurance and pension funding (NACE 66.19);
5. Sale of cars and light motor vehicles (NACE 45.11);
6. Sale of other motor vehicles (NACE 45.19);
7. Activities of insurance agents and brokers (NACE 66.22),

as well as other business activities allowed by the laws of the Republic of Latvia.

Business Overview

Issuer's main products are financial leasing, where the services of the Issuer are used by customers to acquire the vehicles, leaseback financing, where the customer sells and leases back to the Issuer the vehicle that it owns and long term rent, where the Issuer enables for customer to use car for 18-60 months without immediate ownership ability. One of the key competitive advantages offered by the Issuer is the ability to underwrite, score, scrutinize the vehicle and complete the financing and title change process in a very timely manner.

Material adverse change in the prospects of the Issuer

There has been no material adverse change in the prospects of the Issuer since 31 December 2019.

Investments

For a description of the investments made by the Group, including the Issuer, please refer to Section "*History and Development of the Issuer, Commercial Register*" and "*Related Party Transactions*".

Corporate Governance

In its decision making and administration, the Issuer applies the Commercial Law of the Republic of Latvia and the Issuer's articles of association.

Financial Year of the Issuer

The financial year of the Issuer commences on January 1 and ends on December 31 of each calendar year.

Independent Auditor

The current statutory auditor of the Issuer is "KPMG Baltics AS", incorporated under the laws of Republic of Latvia, having its registered office at Vesetas iela 7, Riga, LV-1013, and

registered with the Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs) under number 40003235171.

Share Capital and Shareholders of the Issuer

The Issuer has a fully paid-up share capital of EUR 5,000,000 (five million euro) divided into 5,000,000 (five million) ordinary shares each having a par value of EUR 1.00 (one euro).

The following table sets out the relevant shareholding of the Issuer as at the date of this Prospectus:

Details of the holder entity	Number of shares
AS Mogo Baltics and Caucasus , a joint stock company registered in the Republic of Latvia, company registration number 40203145805, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia	4,900,000
SIA Tobago Capital , a limited liability company registered in the Republic of Latvia under registration number 40203019483, having its registered office at Mika iela 14, Ozolnieku pagasts, Ozolnieku novads, LV-3018, Latvia	100,000
Sum	5,000,000

The shareholders of the Issuer entered on 8 November 2016 on a shareholders agreement, amended from time to time (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement provides that, among other things, (i) if at least 90% of shareholders (unless such shareholder ceases to be an employee of the Issuer) need to be present or represented at a shareholders’ meeting; (ii) resolutions on certain material matters, including appointment of auditors and entry by the Issuer into material contracts, need to be passed if majority of shareholders vote (provisions to overcome deadlock scenarios are foreseen); and (iv) limitation on the transfer of rights, tag-along, drag-along and right of first refusal.

2. General Information about the Guarantor

Legal and Commercial Name, Business Address and Website

The legal and commercial name of the Guarantor is Mogo Finance S.A.

The registered office of the Guarantor is at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg.

The website of the Guarantor is mogo.finance. The information on the website of the Guarantor does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

History and Development of the Guarantor, Commercial Register

The Guarantor was incorporated on 18 December 2012, and operates, under the laws of Luxembourg as a public limited liability company (société anonyme) with unlimited duration

under the legal name of “Twelve Purslane S.A.”. The legal name of the Guarantor has been changed from “Twelve Purslane S.A.” to “Mogo Finance” pursuant to the decision of an extraordinary general meeting of the then shareholders of the Guarantor, recorded through a notarial deed dated 28 May 2014.

The Guarantor is registered with Luxembourg trade and companies register (Registre de Commerce et des Sociétés de Luxembourg) under number B.174457.

Business Purpose and Objectives of the Guarantor

Pursuant to Article 3 of the restated articles of association (statuts coordonnés) of the Guarantor dated 6 June 2016 as amended pursuant to shareholder resolutions dated 12 October 2018 and shareholder resolution dated 29 October 2019, the Guarantor’s purpose is to invest, acquire and take participations and interests, in any form whatsoever, in Luxembourg or foreign companies or entities having a purpose similar to the purpose of the Guarantor and to acquire through participations, contributions, purchases, options or in any other way any securities, rights, interests, patents, trademarks and licenses or other property as the Guarantor shall deem fit, and generally to hold, manage, develop, encumber, sell or dispose of the same, in whole or in part, for such consideration that is in the corporate interest of the Guarantor.

The Guarantor may also enter into any financial, commercial or other transactions and grant to any company or entity that forms part of the same group of companies as the Guarantor or is affiliated in any way with the Guarantor, including companies or entities in which the Guarantor has a direct or indirect financial or other kind of interest, any assistance, loan, advance or grant in favor of third parties any security or guarantee to secure the obligations of the same, as well as borrow and raise money in any manner and secure by any means the repayment of any money borrowed.

Finally the Guarantor may take any action and perform any operation which is, directly related to its purpose in order to facilitate the accomplishment of such purpose.

The articles of association of the Guarantor have been amended several times since its incorporation and for the last time, pursuant to a notarial deed published in the Luxembourg Recueil Electronique des Sociétés et Associations, under number RESA_2019_253.688 dated 29 October 2019.

Business Overview

The Guarantor’s business operations consist of providing financing to the Group companies. The Guarantor is financed through its share capital, external debt and cash from the activities of the Group’s operating companies. The Guarantor’s ability to pay principal, interest and premium, if any, on the Bonds is therefore dependent on financing and cash transferred to it from the operating companies of the Group.

Material adverse change in the prospects of the Guarantor

There has been no material adverse change in the prospects of the Guarantor since 31 December 2019.

Investments

For a description of the investments made by the Group, including the Guarantor, please refer to Section “*History and Development of the Guarantor, Commercial Register*” and “*Related Party Transactions*”.

Corporate Governance

In its decision making and administration, the Guarantor applies the Luxembourg Company Law and the Guarantor's articles of association. The Issuer complies with its country's of incorporation corporate governance regime.

Financial Year of the Guarantor

The financial year of the Guarantor commences on January 1 and ends on December 31 of each calendar year.

Independent Auditor

The statutory auditors of the Group's and Guarantors Annual Financial Statements (i.e., the audited consolidated financial statements of the Guarantor and its consolidated subsidiaries) as of and for the financial years ended 31 December 2019 was KPMG Luxembourg, Société anonyme, incorporated under the laws of Luxembourg, having its registered office at 39, Avenue John F.Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B 149133.

Share Capital and Shareholders of the Guarantor

The Guarantor has a fully paid-up share capital of EUR 1,000,000 (one million euro) divided into 100,000,000 (one hundred million) ordinary shares each having a par value of EUR 0.01 (one euro cent).

The following table sets out the relevant shareholding of the Guarantor as at the date of this Prospectus:

Details of the holder entity	Number of shares	%
SIA "AK Family Investments" , a limited liability company registered in the Republic of Latvia, unified registration number 52103097551, legal address: 12 Juras Street, Liepaja, LV-3401, Latvia;	45,687,491	45,58749%
AS Novo Holdings , a joint-stock company registered in the Republic of Latvia, unified registration number 40103806598, legal address: 52 Skanstes Street, Riga, LV-1013, Latvia;	15,229,035	15,22904%
AS Obelo Capital , a joint-stock company registered in the Republic of Latvia, unified registration number 40103806155, legal address: 52 Skanstes Street, Riga, LV-1013, Latvia;	15,229,237	15,22924%
LVS Limited , a limited liability company registered in the Republic of Malta, registered with the company registration under number C51156, having its registered office at 40, Villa Fairholme, Sir Augustus Bartolo Street, Ta' Xbiex XBX1095, Malta;	15,229,237	15,22924%
Sum	91,275,000	91,27500%

The shareholders of the Guarantor entered on 8 November 2016 on a shareholders agreement, amended from time to time (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement provides that, among other things, (i) if at least 90% of shareholders (unless such shareholder ceases to be an employee of the Issuer) need to be present or represented at a shareholders’ meeting; (ii) resolutions on certain material matters, including appointment of auditors and entry by the Issuer into material contracts, need to be passed if majority of shareholders vote (provisions to overcome deadlock scenarios are foreseen); and (iv) limitation on the transfer of rights, tag-along, drag-along and right of first refusal.

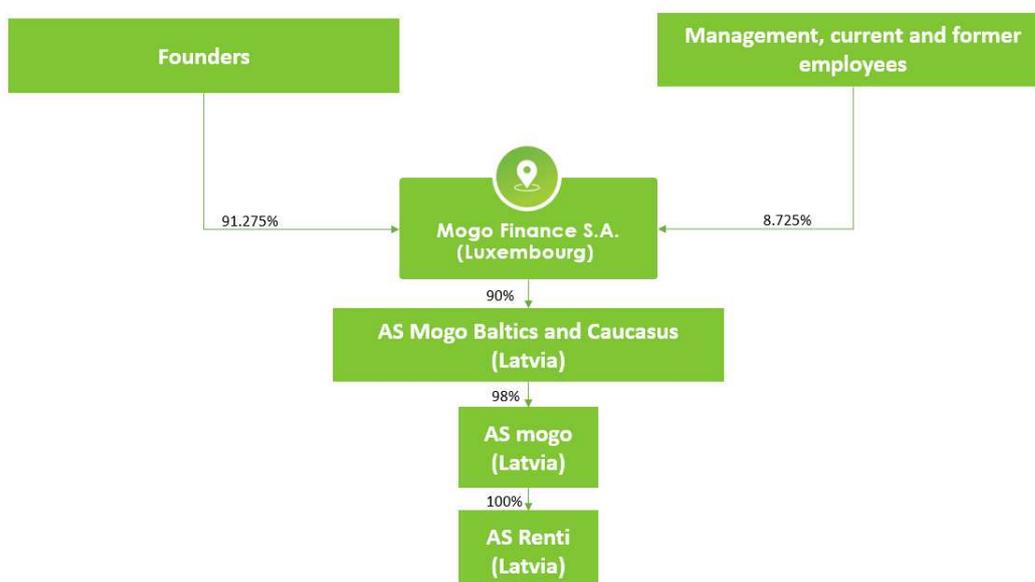
3. Beneficial ownership of the Group

As of the date of this Prospectus, the beneficial owner of the Group (including the Guarantor and the Issuer) is Aigars Kesenfelds, holding directly and indirectly 45.58749% of the voting share capital of the Guarantor (the “**Founder**”).

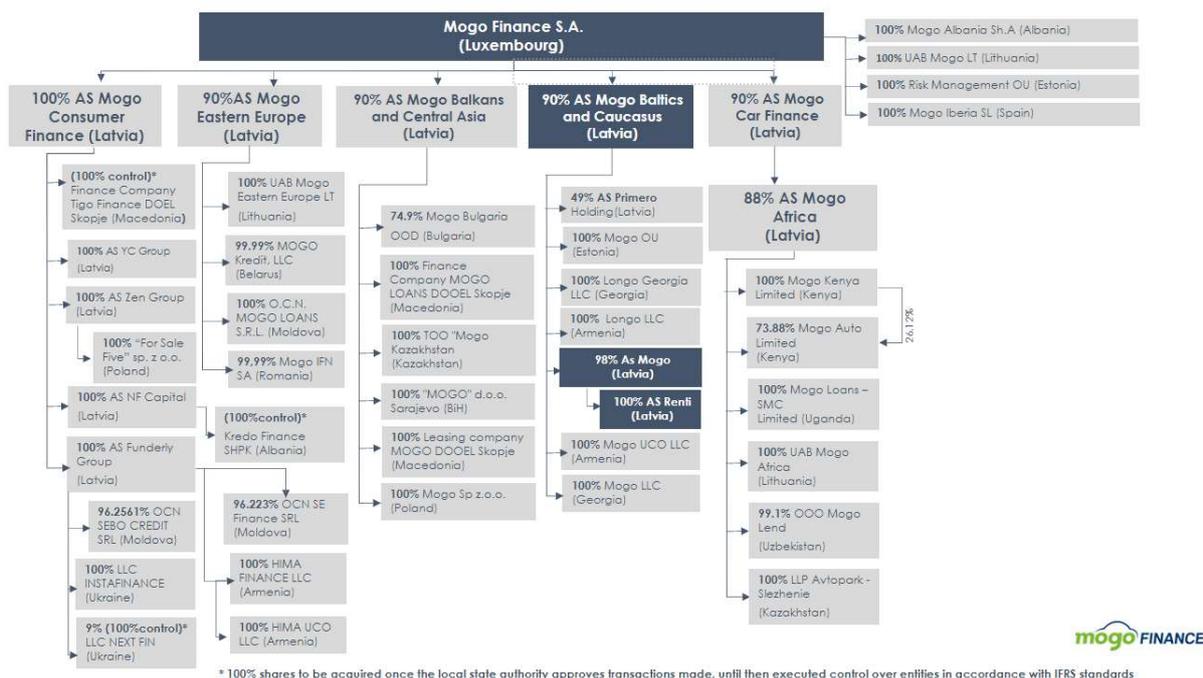
The remaining voting share capital of the Group is controlled by current and former employees of the Issuer.

1) Legal Structure chart

The legal structure chart below sets forth the legal structure and ownership of the Issuer (and its subsidiary) and the Guarantor as of the date of this Prospectus.



This legal structure below sets forth the legal structure of whole Group (including the Issuer, the Guarantor and other subsidiaries) as of the date of this Prospectus.



2) Properties of the Group

Group does not own any land or buildings. Premises and certain equipment is leased under operating leases. The leases typically run for an initial period of up to five years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

3) Employees

As of 30 September 2020, we had 939 employees within the Group, 41 were employed for the Issuer and compared to 31 December 2019, we had 999 employees in the Group out of which 57 were employed for the Issuer. We expect that the number of employees will grow going forward.

4) Social policy and employee benefits

We believe that our current compensation package is generally competitive compared to the packages offered by our competitors or employers in other industries which engage professionals with similar education and experience records.

Our personnel management policy is aimed at developing a skilled and highly-productive staff that is successful in performing its responsibilities. We have developed a comprehensive training program which provides for both internal and external professional training of employees at all levels.

We have not been party to any major labour dispute with our employees.

5) Material Agreements

4.1. Material Agreements for the Issuer

The following section provides a summary of material agreements to which the Issuer is a party.

a. **Notes due 31 March 2021**

On 13 October 2014, the Issuer issued the EUR 20 million 10% notes due 31 March 2021, ISIN LV0000801363 (the “**Notes 1**”). On 27 November 2017, the Issuer issued further EUR 10 million 10% notes due 31 March 2021 ISIN LV0000880029 (the “**Notes 2**”) (both Notes 1 and Noted 2 as “Notes”) The Notes 1 are traded on the regulated market Baltic Bond List of NASDAQ Riga. The Notes 2 are traded on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga. Both Note 1 and Notes 2 will mature on 31 March 2021.

The Notes are unsecured and equivalent to other unsecured loans of the Issuer. The Notes rank *pari passu* in right of payment to all of the Issuer’s existing and future senior unsecured indebtedness.

As of 31 December 2020, the principal outstanding amount and accumulated interest under the Notes was EUR 30 million.

b. **Mintos**

The Issuer have financed their operations through the Mintos marketplace. The Mintos marketplace is operated by Mintos OÜ (Estonia) (registration No. 12807141) acting as loan originator and AS Mintos Marketplace (registration No. 40103903643) maintaining and managing the Mintos platform and servicing the claims of the investors.

The Mintos platform typically works as follows: (i) borrowers (i.e., Issuer’s customers) apply for a loan with the loan originator (i.e., the Issuer), (ii) the loan originator evaluates the application, sets an interest rate and lends money from its own funds and (iii) loans are then listed on the Mintos marketplace, where investors can select loans to invest in, thereafter receiving part of monthly payments and interest. By investing in a loan, investors are buying claim rights against a borrower based on an assignment agreement or equivalent arrangement. In the case that a borrower is unable to repay the loan, investors may lose some or all of their invested capital. The loan originator may guarantee the performance of the borrower, by undertaking to buy back the assigned claims if they remain unpaid for 60 days after they are due. In certain cases, however, Mintos as a loan originator grants a loan, or a series of loans, to the the Issuer, which then repays from loans to its customers serving as the source of repayment and Mintos as the loan originator further lists such loans on the Mintos marketplace, where investors can select loans to invest in, thereafter receiving part of monthly payments and interest received by Mintos from the Issuer. The loans are secured by security agreements entered between Mintos OÜ (Estonia), AS Mintos Marketplace (Latvia) and the Issuer.

Below a brief description of the contractual arrangement with the Mintos marketplace:

(A) Mintos OÜ (Estonia) issues several small loans to AS “mogo” (Latvia) and Mintos OÜ (Estonia) assigns claims arising out of these loans to investors in its platform. The assignment is secured with pledge over receivables arising from the loan agreement serving as the source of repayment to Mintos OÜ (Estonia) loans to AS “mogo” (Latvia) (pledge is registered in favor of Mintos OÜ (Estonia) as the fiduciary agent for investors in accordance with the assignment agreement and the pledge over the receivables).

The claim shall be transferred from Mintos OÜ (Estonia) to the investor in the Mintos platform at the moment when the investor has fully paid the claim price to Mintos OÜ (Estonia).

Security agreements in place:

1. receivables pledge agreement

Pledgor: AS "mogo" (Latvia)

Pledgee: Mintos OÜ (Estonia)

Maximum amount of receivables to be pledged: EUR 20 million

2. Guarantee Agreement No.36/2017-G

Creditor: AS Mintos Marketplace (Latvia) and assignees

Loan Originator: Mintos Finance Estonia OU (Estonia)

Partner: AS mogo (Latvia)

Guarantor: Mogo Finance (Luxembourg)

In accordance with this agreement, in order to secure the Creditor's monetary claims towards the Partner and the Loan Originator arising (or that may arise) from the principal agreements, the Guarantor guarantees to the Creditor the performance of Partner's obligations that may be incurred and arising from the principal agreements.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 8% (eight per cent), starting from 1 January 2019 no less than 10% (ten per cent) and from 1 January 2020 no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point twenty five).

Cash buffer as for the Guarantor's group – at least 5% (five per cent) from the total amount of the remaining principal amount of all (i) claims assigned by the Loan Originator or any of its affiliates arising from the loan agreements concluded by the Loan Originator or any of its affiliates with the Partner or any of its affiliates as the borrower; (ii) claims initially assigned by the Partner or any of its affiliates to the Loan Originator or any of its affiliates and further assigned by the Loan Originator or any of its affiliates to the assignees that arise from the loan agreements concluded by the Partner or any of its affiliates as the lender with the borrower and (iii) outstanding loans assigned by the Partner or its affiliates arising from the loan agreements concluded by the Partner or any of its affiliates as the lender and the borrower, to assignees through Portal.

(B) Mintos OÜ (Estonia) issues several small loans to AS "Renti" (Latvia) and Mintos OÜ (Estonia) assigns claims arising out of these loans to investors in its platform. The assignment is secured with pledge over receivables arising from the rent agreement serving as the source of repayment to Mintos OÜ (Estonia) loans to AS "Renti" (Latvia) (pledge is registered in favour of Mintos OÜ (Estonia) as the fiduciary agent for investors in accordance with the assignment agreement and the pledge over the receivables).

The claim shall be transferred from Mintos OÜ (Estonia) to the investor in the Mintos platform at the moment when the investor has fully paid the claim price to Mintos OÜ (Estonia).

Security agreements in place:

1. receivables pledge agreement

Pledgor: AS "Renti" (Latvia)

Pledgee: Mintos OÜ (Estonia)

Maximum amount of receivables to be pledged: EUR 10 million

c. AS "Citadele banka"

On 8 July 2019, (1) the Issuer, (2) mogo OÜ (Estonia) and (3) UAB "mogo LT" (Lithuania) have concluded a credit line agreement with AS "Citadele banka" under which AS "Citadele banka" has made available facilities to (1) the Issuer, (2) mogo OÜ (Estonia) and (3) UAB "mogo LT" (Lithuania) for a total amount of up to EUR 10,000,000.00 for refinancing of existing indebtedness (the "**Citadele Facility Agreement**"). The Citadele Facility Agreement provides for an interest rate of 8% and a maturity date of 31 July 2021.

The Citadele Facility Agreement is secured with receivables pledge agreements on certain receivables of The Issuer, mogo OU and UAB "mogo LT" in favour of AS "Citadele banka".

4.2. Material Agreements for the Guarantor

The following section provides a summary of material agreements to which the Guarantor is a party.

a. Senior Secured Bonds

On 11 July 2018, the Guarantor successfully issued the senior secured bonds (the "**Senior Secured Bonds**"), 4-year corporate bonds (XS1831877755), listed in the Open Market of the Frankfurt Stock Exchange, oversubscribed for EUR 50 million at par with an annual interest rate of 9.50%, with a term from 11 July 2018 until 10 July 2022.

Senior Secure Bonds are secured in several jurisdictions by way of (i) pledge over shares of the material Group subsidiary, (ii) pledge over all assets, including receivables, bank accounts, trademarks. The Issuer is also pledgor and in particular has concluded following Latvian law governed security documents:

- I. a Latvian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of AS "mogo" (Latvia), including (i) present and future loan receivables granted by AS "mogo" (Latvia) and (ii) all trademarks owned by AS "mogo" (Latvia) and registered in Latvia (the "Latvian General Pledge Agreement");
- II. a Latvian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in AS "mogo" (Latvia) (the "Latvian Share Pledge Agreement");

b. Guarantee to Ardshinbank

On 2 November 2017 Ardshinbank, has made a facility available to MOGO Universal Credit Organization LLC (Armenia) in the amount of up to AMD 4,000,000.00 (the "**Ardshinbank Armenian September 2017 Facility Agreement**"). The Ardshinbank Armenian September 2017 Facility Agreement provides for an interest rate of 12.75% and maturity date of 2 February 2024.

Among other securities the Guarantor has provided surety in accordance to Surety Agreement made on 15 April 2019 and as amended from time to time.

c. Guarantee to Mintos Marketplace

Several Group companies have financed their operations through the Mintos Marketplace. The Mintos marketplace is operated by Mintos OÜ (Estonia) (registration No. 12807141) and SIA Mintos Finance (registration No 40203022549) (Latvia) acting as loan originators and AS Mintos Marketplace (registration No. 40103903643) maintaining and managing the Mintos platform and servicing the claims of the investors (the “**Mintos Marketplace**”). To secure Mintos Marketplace claims towards the Group companies the Guarantor has issued group guarantee.

In accordance with guarantee agreement, in order to secure creditor’s monetary claims towards the partner and/or the loan originator arising (or that may arise) from the principal agreements, the Guarantor guarantees to the creditor the performance of Group subsidiaries obligations that may be incurred and arising from the principal agreements with Mintos Marketplace.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor’s group, such as, but not limited with:

Capitalization ratio – no less than 8% (eight per cent), starting from 1 January 2019 no less than 10% (ten per cent) and from 1 January 2020 no less than 15% (fifteen per cent).

ICR for the Guarantor’s group of not less than 1.25 (one point twenty five).

6) Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, in making financial or operational decisions, as defined in IAS 21 “*Related Party Disclosure*.” In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely its legal form. We are and have been party to various agreements and other arrangements with certain related parties and interested parties, the most significant of which are described below. To the best of our knowledge, all agreements with related parties have been entered into on arm’s length terms and on market terms and conditions.

a. Loans with Related Parties

The list below summarizes the intra-group financing as of 30 September 2020.

1. The Guarantor as a lender has entered into several credit line agreements with the Group companies to whom outstanding loan amount principal is in total EUR 76,691,486.20 on 30.09.2020.
2. The Guarantor as a borrower has entered into several credit line agreements with the Group companies with an outstanding loan amount principal in total EUR 29,557,882.24 on 30.09.2020.
3. The Issuer as lender has entered into several credit line agreements with the following Group companies:
 - a. Luxembourg - Mogo Finance S.A. as borrower on 28.09.2017 - outstanding loan amount EUR 17,868,481.67 on 30.09.2020;
 - b. Latvia – AS Renti as borrower on 03.01.2019 - outstanding loan amount EUR 5,942,212.00 on 30.09.2020;
 - c. Latvia – Mogo Car Finance as borrower on 09.04.2020 - outstanding loan amount EUR 6,853,000.00 on 30.09.2020.

In addition, the following financing agreement with a related party was entered into :

1. The Guarantor as the lender has entered into a loan agreement with SIA AK Family Treasury, registration number 44103135741, legal address Jūras iela 12, Liepāja, LV-3401, as borrower on
 - a. 16.02.2017 - with outstanding loan amount EUR 3,056,760.56 on 30.09.2020.
 - b. 07.06.2018 - with outstanding loan amount EUR 1,902,776.41 on 30.09.2020.
2. The Guarantor as the subordinated borrower has entered into subordinated loan agreements with:
 - a. SIA AK Family Treasury, registration number 44103135741, legal address Jūras iela 12, Liepāja, LV-3401, with total outstanding principal loan amount EUR 7,379,384.94 on 30 September 2020.
 - b. AS Novo Holdings, a company incorporated in the Republic of Latvia with registration number 40103806598, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia, on 24 September 2019 with outstanding principal loan amount EUR 1,521,611.54 on 30 September 2020.
 - c. AS Obelo Capital, a company incorporated in the Republic of Latvia with registration number 40103806155, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia, on 24 September 2019 with outstanding principal loan amount EUR 170,752.88 on 30 September 2020 (claims under this subordinated loan agreement on 15 October 2019 have been assigned to AS Avole Holdings, a company incorporated in the Republic of Latvia with registration number 40103806348, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia).
 - d. AS ZS Invest Holdings, a company incorporated in the Republic of Latvia with registration number 40103893129, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia, on 24 September 2019 with outstanding principal loan amount EUR 1,519,492.81 on 30 September 2020.
 - e. AS Avole Holdings, a company incorporated in the Republic of Latvia with registration number 40103806348, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia, on 15 October 2019 with outstanding principal loan amount EUR 1,350,825.13 on 30 September 2020.

7) Legal Proceedings

Neither the Guarantor nor the Issuer is engaged in or, to our knowledge, has currently threatened against it, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Prospectus, a significant effect on their financial position or profitability.

8) Credit Rating

On 23 November 2020, Fitch Deutschland GmbH ("**Fitch**") has assigned (i) a Long-Term Issuer Default Rating (IDR) of 'B-' to the Guarantor and (ii) a Senior Secured Debt Rating of 'B-' for the bonds issued by the Guarantor - 9.50% senior secured bonds due 10 July 2022 for an aggregate principal amount of EUR 100,000,000.00, ISIN: XS1831877755 (the „**Senior Secured Bonds**“) and placed on Rating Watch Negative (NRW), and (iii) a Short-Term Issuer Default Rating (IDR) of 'B' to the Guarantor.

For the purposes of Fitch ratings:

- a "B" rating indicates that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for

continued payment is vulnerable to deterioration in the business and economic environment. The rating scales ranges from “AAA” for issuers with lowest expectations of default risk to “D” for issuers that in Fitch’s opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure or that have otherwise ceased business;

- the modifiers “+” or “-” may be appended to a rating by Fitch to denote relative status within major rating categories.

Credit ratings included or referred to in this Prospectus have been issued by Fitch which is established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “**ESMA**”) on its website in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. The significance of the rating should be analyzed independently from any other rating. Ratings of the Guarantor and the Senior Secured Bonds by Fitch is not necessarily indicative of the ratings that may in the future be issued in respect of the Guarantor and/ or the Senior Secured Bonds by Fitch or by any other rating agency.

XXIV. MANAGEMENT OF THE ISSUER

Below we describe the management of the Issuer.

In accordance with the Issuer's articles of association and the relevant provisions of the Republic of Latvia Law in force since 1 January 2002 The Commercial Law, as amended from time to time (the "**Commercial Law**") governing joint stock companies (*Akciju Sabiedrība*), the management of the Issuer is divided between the Management Board (*valde*), the Supervisory Board (*padome*), and sole shareholders decision or the shareholders' General Meeting (*akcionāru sapulce*).

A brief description (which is not intended to be exhaustive) of the composition, roles and functioning of each of these bodies is set forth below.

1. Management Board

The Management Board of the Company is responsible for the day-to-day management of the Issuer's operations, the representation of the Issuer and for organising its accounting. Further, according to the Commercial Law, it is the obligation of the Management Board to draft the annual reports and submit the reports to the Supervisory Board for review and to the General Meeting for approval. The Management Board is accountable to the Supervisory Board and must adhere to its lawful instructions.

Name	Year of Birth	Term until	Position
Krišjānis Znotiņš	1987	Undefined period or until revoked	Chairman of the Board
Aivis Lonskis	1984	Undefined period or until revoked	Member of the Board

Krišjānis Znotiņš has several years of experience in financial sector leading SIA "DNB līzings" as well as Luminor Bank AS Latvia branch business client service in Latvia. Krišjānis Znotiņš is a graduate of BA School of Business and Finance and has obtained MBA degree from SBS Swiss business school in Switzerland.

Krišjānis Znotiņš has no principal activities outside the Group.

Aivis Lonskis has graduated BA School of Business and Finance and obtained a Masters degree and since September 2019 Aivis Lonskis has been the Deputy Head of AS "mogo". Aivis has previously gained financial/leasing experience working in Nordea Bank AB Latvia Branch and "Swedbank" AS, as well experience in car industry working in Moller Baltic Import AS (Volkswagen importer in Baltics, Audi Importer in Latvia and Lithuania) and leading Volkswagen and Audi Leasing product as well as Used car brands Das WeltAuto and Audi: Approved Plus.

Aivis Lonskis has no principal activities outside the Group.

2. Supervisory Board

In accordance with the Commercial Law, the Supervisory Board of the Issuer is responsible for the strategic planning of the business activities of the Issuer and supervising the activities of the Management Board. The Supervisory Board is accountable to the Shareholders of the Issuer (acting through the general meeting of shareholders of the Issuer).

The Issuer is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the Management Board.

As of the date of this Prospectus, the Supervisory Board of the Issuer consists of:

Name	Year of Birth	Term until	Position
Valerij Petrov	1987	Undefined period or until revoked	Chairman of the Supervisory Board
Vladislavs Mejertāls	1988	Undefined period or until revoked	Deputy Chairman of the Supervisory Board
Neringa Plauškiene	1986	Undefined period or until revoked	Member of the Supervisory Board

Valerij Petrov. As Country Manager in Lithuania since January 2018 until January 2019, Valerij Petrov has been a COO in Lithuania since July 2014 and now is Regional CEO. Valerij holds a BA in Economics from Vilnius University and MA in Law and International business from International Business School. He has experience in business development having been the Head of Business development in Energijos Tiekimas – a leading retail electricity supply company (part of Lietuvos Energija group), where he was responsible for new product development and expansion to new markets.

Vladislavs Mejertāls has graduated Stockholm School of Economics and obtained a Masters degree (MBA) and since 2019 Vladislavs is the regional COO of AS “Mogo Eastern Europe” which currently oversees mogo markets in Latvia, Lithuania, Romania, Moldova, and Belarus. Before joining mogo, Vladislav has gained significant experience in the non-bank lending and debt collection industries, managing the non-bank lending company Wandoo Spain, and also working for more than six years at ASA B2Holding group companies in the Baltics.

Neringa Plauškiene holds a B.Sc degree in Finance from Vilnius University. Since 2019 June she joined the Mogo Finance group as the regional CFO at AS “Mogo Eastern Europe” which currently oversees mogo markets in Latvia, Lithuania, Romania, Moldova, and Belarus. Before joining mogo, Neringa has gained extensive experience in the finance field working more than five years at the energy and utility sector as well as almost six years at the audit department at EY Lithuania.

3. Audit Committee

The Issuer has established internal audit committee.

The audit committee oversees the Issuer’s financial reporting process to ensure the transparency and integrity of published financial information, the effectiveness of the Issuer’s internal control and risk management system, the effectiveness of the internal audit function, the effectiveness of the independent audit process of the Issuer, including recommending the appointment and assessing the performance of the external auditor, and the effectiveness of the process for monitoring compliance with laws and regulations affecting financial reporting and code of business conduct (where applicable).

The audit committee is set up and its members are appointed by the shareholders meeting of the Issuer. The members of the audit committee consist of three members being Neringa Plauškiene, Vladislavs Mejertāls, and Mārīte Šnepe, where each of them is appointed for undefined period of time. The audit committee reports to the management of the Issuer.

The Guarantor has established internal audit committee

In 2019 the Guarantor established internal audit committee. The audit committee oversees the Group’s financial reporting process to ensure the transparency and integrity of published financial information, the effectiveness of the Group’s internal control and risk management

system, the effectiveness of the internal audit function, the effectiveness of the independent audit process of the Group, including recommending the appointment and assessing the performance of the external auditor, and the effectiveness of the process for monitoring compliance with laws and regulations affecting financial reporting and code of business conduct (where applicable). The audit committee is set up and its members are appointed by the board of directors of the Guarantor. The members of the audit committee consist of three members being Mārtiņš Muižnieks, Paul Ryan and Franck-Olivier Cera and each of them is appointed for a period of three years. The audit committee reports to the board of directors of the Issuer.

4. Interest of management board and officers

As at the date of this Prospectus, the members of the Supervisory Board hold or may hold B category shares in some of Group companies and options to acquire additional B category shares. Apart from that, the Issuer is not aware of any actual or potential conflicts of interest between the duties of any of the members of the Management and the Supervisory Board to the Issuer or to any Group company, and their private interests or other duties.

5. Litigation statement about directors and officers

As of the date of this Prospectus, none of the members of the Management Board and Supervisory Board of the Issuer:

- has had any convictions in relation to fraudulent offences; nor
- has held an executive function in the form of a senior manager or a member of the administrative management or supervisory bodies, of any company, or a partner in any partnership, at the time of or preceding any bankruptcy, receivership or forced liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

6. Change of Control over the Issuer

We are not aware of any arrangements in existence as of the date of this Prospectus which could reasonably be expected to result in a change of control over the Issuer.

XXV. MANAGEMENT OF THE GUARANTOR

Below we describe the management of the Guarantor.

In accordance with the Guarantor's articles of association and the relevant provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time (the "Luxembourg Company Law") governing public limited liability companies (*sociétés anonymes*), the management of the Guarantor is divided between the board of directors (*conseil d'administration*) and the sole shareholder (*actionnaire unique*), or, in the instance of there being more than one shareholder, the shareholders' general meeting (*assemblée générale des actionnaires*). The board of directors of the Guarantor is supported by the management team of the Group, which is responsible for providing high-level advice on decisions and business matters ranging from strategic planning, policy formulation, investment planning and risk assessment.

A brief description (which is not intended to be exhaustive) of the composition, roles and functioning of each of these bodies is set forth below.

1. Management Board

The share capital of the Guarantor is entirely held by its shareholders as further described under "Information About the Guarantor – Share Capital and Shareholders" above. The shareholders' general meeting exercises the power granted by the Luxembourg Company Law including (i) appointing and removing the directors and the statutory or independent auditor of the Guarantor as well as setting their remuneration, (ii) approving the annual financial statements of the Guarantor, (iii) amending the articles of association of the Guarantor, (iv) deciding on the dissolution and liquidation of the Guarantor, and (v) changing the nationality of the Guarantor.

The Guarantor is managed by a board of directors whose members have been appointed as type A directors and type B directors by the shareholders' general meeting of the Guarantor. In accordance with Luxembourg Company Law, each type A director and type B director may be removed at any time without cause (*révocation ad nutum*).

Meetings of the board of directors are convened upon request of the chairman of the board of directors or any two directors of the Guarantor as often as the interest of the Guarantor so requires. The meetings of the board of directors are validly held if at the commencement of the meeting at least one type A director and one type B director is present or represented and decisions are validly taken by the majority of the directors present or represented (including at least one type A director and at least one type B director). Any director may represent one or more other directors at a board of directors' meeting.

The board of directors of the Guarantor may, from time to time, delegate its power to conduct the daily management (*gestion journalière*) of the Guarantor to one or more directors, i.e., the managing director(s) (*administrateur(s) délégué(s)*), commit the management of the affairs of the Guarantor to one or more directors or give special powers for determined matters to one or more proxy holders.

Pursuant to its articles of association, where the Guarantor is administrated by the board of directors comprising several categories of directors, it shall be bound by the joint signatures of a type A director and a type B director.

The Guarantor is currently managed by a board of directors composed of two directors of type A and two directors of type B as set out below, elected pursuant to resolutions of the shareholders of the Guarantor, for a term as set out below. The directors may be removed before the expiration of the term. Based on the articles of association of the Guarantor, directors of each category are vested with the same individual powers and duties. The two directors of type B and one director of type A are Luxembourg residents, whereas the other

director of type A is not a Luxembourg resident and at the same time hold the position of CEO within the Group. The board of directors did not appointed a chairman among its members so far.

Name	Year of Birth	Term until	Position
Modestas Sudnius	1986	the annual general meeting of the Guarantor to be held in 2022	Category A director
Maris Kreics	1985	the annual general meeting of the Guarantor to be held in 2022	Category A director
Delphine Glessinger...	1981	the annual general meeting of the Guarantor to be held in 2022	Category B director
Attila Senig.....	1980	the annual general meeting of the Guarantor to be held in 2022	Category B director

Modestas Sudnius, with business address at Skanstes street 52, LV-1013 Riga, Latvia, was appointed as CEO of the Group in January 2019 and as director of the Guarantor in March 2019. A graduate of Stockholm School of Economics, Modestas Sudnius was the Country Manager in Lithuania, then holding Regional CEO position in Mogo Finance, covering Baltic countries, Georgia and Armenia, then being Co-CEO of the Group together with Edgars Egle. Modestas has several years' experience in financial assurance and project management in companies such as Ernst & Young and EPS LT.

Maris Kreics, with business address at Skanstes street 52, LV-1013 Riga, Latvia, was appointed as director of the Guarantor in 2018 and as CFO of the Group in 2015. Mr. Kreics has spent previous 2 years in a corporate finance role working for the biggest telecommunications service company in Latvia – Lattelecom. Before that Mr. Kreics has spent 7 years in PwC, whereas 2 years were spent in New York working exclusively on one of the largest (top 5 by market capitalization) S&P 500 Tech company's lead audit team. Mr. Kreics is a CFA charterholder and a member of the global body for professional accountants ACCA. Mr. Kreics has a bachelor's and master's degree in finance.

Delphine Glessinger, with business address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, was appointed as director of the Guarantor in 2018. Ms. Glessinger currently is also Senior Legal Administrator in Centralis S.A. previously she has held legal trust officer position in Citco Corporate and Trust for more than 8 years. Ms. Glessinger holds Université de Haute-Alsace Mulhouse-Colmar degree in law, University of Lincoln Bachelor degree of administrative and Legal studies and Université Nancy 2 Bachelor's degree in International business.

Attila Senig, with business address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, was appointed as director of the Guarantor in 2020. Mr. Senig has experience in providing corporate, accounting and tax services to multi-national corporations, real estate and private equity for more than 10 years in Luxembourg and Hungary. Mr. Senig has a Bachelor in Finance and Accounting, specialising in Taxation. Tax Advisor (Education Center of Chamber of Hungarian Auditors). Luxembourg Tax Diploma (LLLC).

Modestas Sudnius and Maris Kreics have no principal activities outside of the Group. The principal outside activities of Delphine Glessinger and Attila Senig comprise their activity as employees of Centralis SA in Luxembourg. In such capacity, they are also directors of other companies in Luxembourg. The directors of the Guarantor confirm that, otherwise, there is no conflict of interest between their duties as a director of the Guarantor and their principal and/or other outside activities.

2. Audit Committee

The Guarantor has established internal audit committee

In 2019 the Guarantor established internal audit committee. The audit committee oversees the Group's financial reporting process to ensure the transparency and integrity of published financial information, the effectiveness of the Group's internal control and risk management system, the effectiveness of the internal audit function, the effectiveness of the independent audit process of the Group, including recommending the appointment and assessing the performance of the external auditor, and the effectiveness of the process for monitoring compliance with laws and regulations affecting financial reporting and code of business conduct (where applicable). The audit committee is set up and its members are appointed by the board of directors of the Guarantor. The members of the audit committee consist of three members being Mārtiņš Muižnieks, Paul Ryan and Franck-Olivier Cera and each of them is appointed for a period of three years. The audit committee reports to the board of directors of the Issuer. Interest of management board and officers

As of the date of this Prospectus, none of the members of the board of directors of the Guarantor, other than Modestas Sudnius and Maris Kreics (holding minority indirect interest in the Guarantor) has an ownership interest in the share capital of the Guarantor and there are no other potential conflicts of interest between any duties of the board of directors of the Guarantor and their private interests and/or other duties.

3. Litigation statement about directors and officers

As of the date of this Prospectus, none of the members of the Management Board and Supervisory Board of the Guarantor:

- has had any convictions in relation to fraudulent offences; nor
- has held an executive function in the form of a senior manager or a member of the administrative management or supervisory bodies, of any company, or a partner in any partnership, at the time of or preceding any bankruptcy, receivership or forced liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

4. Change of Control over the Group or the Guarantor

We are not aware of any arrangements in existence as of the date of this Prospectus which could reasonably be expected to result in a change of control over the Group or the Guarantor.

XXVI. TERMS AND CONDITIONS OF THE BONDS

1. Principal amount and issuance of the Bonds

- 1.1. AS mogo, a joint stock company (in Latvian – *akciju sabiedrība*) incorporated in, and operating under the laws of the Republic of Latvia and registered with the Commercial Register of the Republic of Latvia under registration number: 50103541751, LEI code: 213800DOKX626GYVOI32, legal address: Skanstes iela 52, Riga, LV-1013, Latvia (the “**Issuer**”) in accordance with these terms and conditions (the “**Terms and Conditions**”) shall issue bonds in aggregate principal amount of EUR 30,000,000 (thirty million euro) (the “**Bonds**”) and undertakes to perform the obligations arising from the Bonds to the holders of the Bonds (the “**Holder**s”).
- 1.2. The Issuer undertakes to repay the Bonds, to pay Interest (as defined below) and to otherwise act in accordance and comply with these Terms and Conditions.
- 1.3. The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions.
- 1.4. The nominal amount, the minimum settlement unit and settlement unit multiple of each Bond shall be EUR 1,000 (one thousand euro) (the “**Nominal Amount**”).
- 1.5. The Bonds are offered for subscription for a minimum investment amount of EUR 1,000 (one thousand euro) (the “**Minimum Investment Amount**”).
- 1.6. The Bonds shall be issued at their nominal amount without any discount or a premium.
- 1.7. The issue date of the Bonds shall be 1 March 2021 (the “**Issue Date**”).
- 1.8. The offering of Bonds is structured as a public offering as per Regulation (EU) 2017/1129. Bonds are offered as (i) a public offering to the qualified investors as defined in Prospectus Regulation and/or other types of investors as defined by the national securities legislation of each relevant country where the Bonds are being offered without requirement to publish the prospectus (the “**Institutional Investors**”) and any other than the Institutional Investors (the “**Retail Investors**”) in the Republic of Latvia, in the Republic of Lithuania and in the Republic of Estonia, and (ii) private placement (offering) to Institutional Investors and Retail Investors in certain Member States of the EEA in each case pursuant to an exemption under Article 1 of the Prospectus Regulation.

“**Investors**” means Institutional Investors and/or Retail Investors.

2. Form of the Bonds and ISIN

- 2.1. The Bonds are freely transferable non-convertible debt securities, which contain payment obligations of the Issuer towards the Holders.
- 2.2. The Bonds are dematerialized debt securities in bearer form which are disposable without any restrictions and can be pledged. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Latvian law, including the United States of America, Australia, Canada, South Africa, Singapore, Hong Kong and Japan.
- 2.3. The Bonds shall be book-entered with Nasdaq CSD SE (registration number: 40003242879, legal address: Valņu 1, Riga, LV-1050, Latvia) (the “**Depository**”) before the Issue Date and the accounting of the Bonds shall be made by the Depository. Bondholders may hold Bonds through Depository participants.
- 2.4. ISIN code for the Bonds, assigned by the Depository, is LV0000802452.
- 2.5. Currency of the Bonds is EUR (euro).

3. Status and Security

The Bonds constitute direct, unsecured and guaranteed obligations of the Issuer ranking *pari passu* without any preference among each other and with all other unsecured, and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law. There are no contracts or other transaction documents that would subordinate the claims of the Holders to other unsecured liabilities of the Issuer. For the sake of clarity, secured obligations shall rank senior to any unsecured obligations of the Issuer.

4. Guarantee

- 4.1. Mogo Finance, a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B174457 (the “**Guarantor**”) have given an unconditional and irrevocable guarantee (the “**Guarantee**”) for the due and punctual payment of principal of, and interest on, and any other amounts payable by the Issuer under the Bonds.
- 4.2. The Guarantee will rank *pari passu* with all of the Guarantor’ existing and future senior unsecured debt and senior to all of their existing and future subordinated debt, notwithstanding certain limitation under the laws of the Guarantor’s jurisdiction.
- 4.3. The obligations and liabilities of and the guarantee issued by the Guarantor under the Guarantee shall be limited if required (but only if and to the extent required) under Luxembourg law or regulation in the Luxembourg jurisdiction in which the Guarantor is incorporated.
- 4.4. Pursuant to the Guarantee the Issuer shall procure that the Guarantee and all documents relating thereto are duly executed by the Guarantor in favour of the Holders and that such documents are legally valid, enforceable and in full force and effect according to their terms. The Issuer shall procure the execution of such further documentation by the Guarantor as it may reasonably be required in order for the Holders to at all times maintain the guarantee position envisaged under these Terms and Conditions and the Guarantee.

5. Interest

- 5.1. the Bonds shall bear interest at fixed interest rate of 11% (eleven per cent) per annum (the “**Interest**”) until the maturity of the Bonds.
- 5.2. Interest payments are made once a month on the last day of the month (the “**Interest Payment Date**”). The first Interest Payment Date will be 31 March 2021, the last Interest Payment Date will be 31 March 2024.
- 5.3. The calculation date of the Interest is the 5th (fifth) Business Day prior to the Interest Payment Date. At the end of the Interest calculation date Holders list, who will be eligible for the Interest payments, will be fixed. Interest payment shall be made to the Holders, as per Holders list, on each Interest payment date for the preceding Interest period.
- 5.4. The Issuer pays the Interest through the intermediary of Depository and in accordance with applicable Depository regulations, which regulate the procedure for paying income from debt securities.
- 5.5. If the Interest payment date fall on a date which is not a Business Day, the Issuer will postpone the Interest payment and will make it on the next Business Day.

- 5.6. The first Interest starts to accrue on 1 March 2021 (the “**First Settlement Date**”) of the Bonds issue. The accrued Interest is calculated presuming that there are 360 days in one year (day count convention - “**European 30/360**”). Accrued interest between Interest Payment Dates shall be calculated as follows:

$CPN = F * C / 12$ or $CPN\% = C/12$, where

CPN – the amount of Interest payment in EUR per Bond;

F – Nominal Amount of one Bond;

C – annual Interest rate (%).

CPN% - the amount of Coupon payment % per Bond.

- 5.7. If the Issuer has failed to make Interest payments in accordance with the deadlines specified in the Terms and Conditions, Holders shall have the right to submit claims regarding the payment of the Interest not earlier than after 5 (five) Business Days following the payment date of the relevant Interest.

- 5.8. The authority performing the calculation is not required to calculate the Interest payment, since the annual rate of the Interest for the relevant period is fixed in advance.

“**Business Day**” means a day on which the Depository system is open and operational.

6. Maturity, Early Redemption and Principal Payment

- 6.1. The Bonds shall be repaid in full at their Nominal Amount on 31 March 2024 (the “**Maturity Date**”), unless otherwise provided in these Terms and Conditions.

- 6.2. If the Issuer has failed to make Nominal Amount payment on Maturity Date, Holders shall have the right to submit claims regarding the repayment of the Nominal Amount not earlier than after 5 (five) Business Days following the Maturity Date.

- 6.3. Regardless of the Maturity Date the Issuer can carry out early redemption (the „**Early Redemption**“), in full amount of the outstanding Bonds, starting from 31 May 2021 on any Interest Payment Date (the “**Early Redemption Date**”).

- 6.4. The redemption price to be paid to the Holders on the Early Redemption shall be 101% of the Nominal Amount of the Bonds redeemed on the first possible Early Redemption Date. The Issuer can carry out Early Redemption in full amount of the outstanding Bonds.

- 6.5. If the Issuer takes decision on the Early Redemption of Bonds, the Issuer shall notify Holders at least 1 (one) month prior to the Early Redemption Date of Bonds, with intermediation of the Depository, or if Bonds are included in Baltic Bond List, also via Nasdaq Riga information system.

- 6.6. The principal of the Bonds shall be paid through the Depository in accordance with the applicable rules of the Depository. The Holders list eligible to receive the Early Redemption payment will be fixed at the end of the previous Business Day before Redemption Payment Date.

- 6.7. Should the Maturity Date or Early Redemption Date (as applicable) fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

- 6.8. Holders shall not have rights to demand early redemption of Bonds (put option), except in case of occurrence of the Events of Default in accordance with the Section 13. “Event of Default”.

7. Default Interest

- 7.1. In the case of non-compliance or inadequate compliance with a payment obligation arising from the Bonds, the Holder in question shall be entitled to require and the Issuer shall be obliged to pay default interest upon the request of any Holder to all the Holders subject to non-compliance or inadequate compliance with payment obligations arising from the Bonds from the due date (excluding) to the actual payment date (including) in the amount of 0.05% (zero point zero five per cent) per day from the relevant overdue amount.
- 7.2. If the Issuer has failed to make Interest payments in accordance with the deadlines specified in the Terms and Conditions of the Bonds, Holders shall have the right to submit claims regarding the payment of the Interest not earlier than after 5 (five) Business Days following the payment date of the relevant Interest.
- 7.3. If the Issuer has failed to make Nominal Amount payment on the Maturity Date, Holders shall have the right to submit claims regarding the repayment of the Nominal Amount not earlier than after 5 (five) Business Days following the Maturity Date.

8. Taxation

- 8.1. All payments in respect of the Bonds by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (the "**Taxes**"), unless the withholding or deduction of the Taxes is required by laws of the Republic of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Holders in respect of such withholding or deduction.

9. Admission to trading

- 9.1. The Issuer shall ensure that the Bonds are admitted to listing and trading on the official bond list (the "**Baltic Bond List**") of Akciju sabiedrība "Nasdaq Riga", registration number: 40003167049, legal address: Vaļņu 1, Riga, LV- 1050, Latvia ("**Nasdaq Riga**"), which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU as amended, not later than within 6 (six) months from the Issue Date provided that applicable regulatory enactments for the admission to listing and trading of the Bonds in Nasdaq Riga have been complied with. The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the Baltic Bond list. The Issuer shall, following a listing or Admission to trading take all reasonable actions on its part required, as a result of such listing or trading of the Bonds.

10. Representation and warranties of the Issuer

- 10.1. The Issuer warrant to the Holders that at the Issue Date and for as long as any Bonds are outstanding:
 - 10.1.1. the Issuer and the Guarantor are duly incorporated and validly existing as legal entities in their jurisdiction of incorporation, and operating under the laws of jurisdiction of their incorporation;
 - 10.1.2. all the Issuer's and the Guarantor's obligations assumed under these Terms and Conditions are valid and legally binding to them and performance of these obligations is not contrary to any laws applicable to them or their constitutional documents;

- 10.1.3. the Issuer has all the rights and sufficient authorizations to issue the Bonds and to enter into these Terms and Conditions and fulfil obligations arising from the Bonds and these Terms and Conditions, and the Issuer has performed all the formalities required for issuing the Bonds;
- 10.1.4. all information that is provided by the Issuer to the Holders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any material respect;
- 10.1.5. the Issuer and the Guarantor are solvent, able to pay their debts as they fall due, there are no liquidation, compulsory execution, reorganization or bankruptcy proceedings pending or initiated against the Issuer and/or the Guarantor;
- 10.1.6. there are no court or arbitration proceedings pending or initiated against the Issuer and the Guarantor where an unfavorable decision would, according to reasonable assessment of the Issuer, have a material adverse impact on the economic condition of the Issuer and the Guarantor.

11. Undertakings

- 11.1. From the Issue Date of Bonds to the date of repayment thereof, the Issuer and its Subsidiary companies (if any) shall undertake the following:
 - a) Not to close transactions with Related Persons, except if transactions are concluded for Fair Market Value or in relation to long term incentive scheme for any employees of the Issuer or the Group;
 - b) Not to obtain participation in other companies by investing funds, except if the Issuer or its Subsidiary company acquires over 25% (twenty five per cent) participation in this company by making an investment or if the Issuer acquires participation of other Group company;
 - c) Not to sell, present, change, rent, invest, or otherwise transfer into utilization the right to use the trademarks of the Issuer and/or its Subsidiary companies, except if trademarks are sold, presented, changed, rented, invested, or otherwise transferred into utilization to the Issuer's Subsidiary company, its managing company, or any companies dependent on the managing company, other enterprises or companies which have directly or indirectly acquired participation in the equity capital of the Issuer or in which the Issuer has acquired direct or indirect participation (if any);
 - d) Not to start carrying out a substantially new type of economic activity, except activities defined under definition of Permitted Business;
 - e) Not to commence Issuer's liquidation and not to reduce Issuer's share capital unless simultaneously Group liabilities against the Issuer are also reduced;
 - f) Not to encumber the assets, except in case of agreements entered into with credit institutions, banks, direct lenders or peer to peer marketplace lending platforms on the allocation of funds, or in case of issue of secured bonds, or existing encumbrances as of the Issue Date.
- 11.2. Any of the restrictions referred to in this section may be cancelled or amended, if a written consent (either through proxy, custodian, Depository, Nasdaq Riga, e-mail, in presence or by post) has been received from Holders which own over 50% (fifty per cent) of Bonds. The process of receipt of the consent must be organized in accordance with the conditions of the Section "Procedure for applying for the waiver".

"Permitted Business" means any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities

in which the Issuer, its Subsidiaries and the Guarantor are engaged on the Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities.

“**Related Persons**” shall mean any natural or legal person, which is (a) a shareholder or (b) a member of the Board or Council, or (c) an employee, or (d) a spouse of any persons referred to in (a) – (c) in relation to the Issuer.

“**Subsidiary**” means a company: (i) in which the Issuer holds a majority of the voting rights; or (ii) of which the Issuer is a shareholder or participant and has the right to appoint or remove a majority of the members of the management board; or (iii) of which the Issuer is a shareholder or participant and controls a majority of the voting rights, and includes any company which is a subsidiary of a Subsidiary of the Issuer.

“**Fair Market Value**” means, with respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the senior management of the Issuer.

“**Group**” the Guarantor and its Subsidiaries (including the Issuer).

12. Financial Covenants

12.1. From the Issue Date of Bonds to the date of repayment thereof based on the Issuer’s audited consolidated annual reports, the Issuer and its Subsidiary shall undertake to maintain positive amount of equity. In case if the equity is negative, the Guarantor, the Issuer and its Subsidiary companies (if any) shall undertake to increase the equity capital of the Issuer and/or its Subsidiary within 30 (thirty) Business Days after the negative equity is reported, in order to eliminate this discrepancy.

12.2. From the Issue Date of Bonds to the date of repayment thereof, the Guarantor shall undertake to maintain following financial covenants:

12.2.1. The Capitalization Ratio shall in any case be at least:

- (i) 8.00 per cent until 31 March 2021;
- (ii) 10.00 per cent until 30 June 2021; and
- (iii) 15.00 per cent until 30 September 2021 and until full repayment of the Bonds;

12.2.2. Starting as of 31 March 2021, the Interest Coverage Ratio shall be at least 1.25, calculated on:

- (i) three (3) consecutive calendar months until the end of the interim quarter ending on 31 March 2021;
- (ii) six (6) consecutive calendar months until the end of the interim quarter ending on 30 June 2021;
- (iii) nine (9) consecutive calendar months until end of the interim quarter ending on 30 September 2021;
- (iv) twelve (12) consecutive calendar months until end of the financial year ending on 31 December 2021 and until full repayment of the Bonds.

12.3. Financial indicators referred to in this section are calculated in case of 12.1. by using data from the audited consolidated annual reports of the Issuer and in case of 12.2.1. and 12.2.2. by using unaudited consolidated quarterly accounts of the Guarantor.

„**Senior Secured Bonds**“ means the Guarantor’s successfully issued senior secured bonds 4-year corporate bonds (XS1831877755), listed in the Open Market of the Frankfurt Stock

Exchange, subscribed for EUR 100 million at par with an annual interest rate of 9.50%, with a term from 11 July 2018 until 10 July 2022.

Meaning for definitions of „**Capitalization Ratio**“ and „**Interest Coverage Ratio**“ are in accordance to Senior Secured Bonds terms and conditions available here: <https://mogo.finance/wp-content/uploads/2019/11/Prospectus.pdf>.

13. Event of Default

- 13.1. The Issuer is in default if at least one of the following occurs and as long as it has not been rectified (“**Event of Default**”):
- 13.1.1. The issuer has violated the conditions of the Section “Undertakings” and Section “Financial Covenants” and has failed to eliminate the occurred violation within 30 (thirty) Business Days ;
 - 13.1.2. The Issuer has failed to make an interest payment in full for more than 5 (five) Business Days following the planned payment date;
 - 13.1.3. The Issuer has failed to make a Nominal Amount payment in full for more than 5 (five) Business Days following the planned payment date;
 - 13.1.4. The Issuer is declared insolvent by the court of Republic of Latvia in accordance with the Insolvency Law of Republic of Latvia;
 - 13.1.5. The Issuer has submitted an application for liquidation in the relevant state authorities in Latvia.
- 13.2. If an Event of Default occurs, the Holder can submit a written notification to the Issuer regarding that the immediate repayment deadline has set in for the Bonds owned by the relevant Holder, at any time after the Event of Default has occurred (and as long as the Event of Default exists). The Issuer has to pay the Nominal Amount of Bonds along with the accrued Interest and Default Interest, in accordance with the Section “Default Interest”, within 5 (five) Business Days after the receipt of the notification, except for Event of Default under 13.1.4.

14. Procedure for applying for the waiver

- 14.1. The Issuer has the right to ask for the consent (waiver) of Holders to amend the conditions included in the Terms and Conditions, or to receive a permit for activities referred to in the Section “Undertakings” and Section “Financial Covenants” (apply for the waiver).
- 14.2. The amendment of the Terms and Conditions may include the amendment of any conditions, which is not restricted by such characteristics of Bonds as currency, Interest rate, Interest calculation method, Interest and Nominal Amount payments, inclusion of Bond for trade in other regulated or alternative markets, Maturity Date of Bonds, and other conditions, unless they contradict regulatory enactments in force in the Republic of Latvia.
- 14.3. The Issuer can apply for the waiver itself or through the intermediary of an authorized person (the “**Agent**”). To apply for the waiver, the Issuer or Issuer’s Agent shall notify Holders directly, or, if Bonds are included in Baltic Bond List, via Nasdaq Riga information system, specifying at the least the following information:
- a) description of the offered changes;
 - b) justification of the description of offered changes;
 - c) date on which the list of Holders entitled to grant the waiver (vote) will be fixed;
 - d) period within which the Holder can support or reject the offered waiver;

- e) indications in relation to the support or rejection of the waiver and procedure for filling in the voting questionnaire;
- f) notification that the Holder who is willing to grant the waiver offered by the Issuer has to notify the Issuer and Issuer's Agent within the period referred to in the application, which is certified by a postal seal or signature on receipt or notification (letter or email) from Holders Custodian. If the Holder fails to notify the Issuer or Issuer's Agent of the confirmation to grant the waiver within the period determined in the application, it will be deemed that the Holder has not granted its consent to the waiver;
- g) contact information of the Issuer and/or Issuer's Agent, which must be used for notifications (phone for inquiries, address for sending filled-in and signed questionnaires, and list of addresses of representations and/or branches of the Issuer and/or Issuer's Agent, where Holders can submit the questionnaire in person);
- h) other information, including the amount of fee offered to Holders for approving the waiver (if any).

“Custodian” means credit institution or investment brokerage company that has obtained the FCMC license or is entitled to do business and to keep securities in accordance with its country of registration laws.

„FCMC“ means Financial and Capital Market Commission of Latvia (In Latvian - *Finanšu un kapitāla tirgus komisija*).

- 14.4. The list of Holders shall be inquired from the Depository as of the date falling to the 5th (fifth) Business Day after the waiver was sent to Holders directly or after the announcement of the waiver has been published via Nasdaq Riga information system, if Bonds are included in Baltic Bond List.
- 14.5. The term allowed to Holders for deciding upon refusal to grant the waiver to the Issuer may not be shorter than 14 (fourteen) calendar days after the waiver was sent to Holders directly or after the announcement of the waiver has been published via Nasdaq Riga information system, if Bonds are included in Baltic Bond List.
- 14.6. Holders shall notify the Issuer or Issuer's Agent about their decision within the deadline set in the application of the waiver. The waiver is deemed to be granted, if Holders owning at least 50% (fifty per cent) of the outstanding Bonds (excluding Bonds owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) have voted for granting the waiver. The Bonds owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) are not eligible to participate in the voting.
- 14.7. The Issuer or Issuer's Agent shall sum up the received votes and notify Holders of the results of the voting within 5 (five) Business Days after the deadline for submitting the decision by sending relevant notification to Holders directly or by publishing relevant announcement via Nasdaq Riga information system, if Bonds are included in Baltic Bond List.
- 14.8. If the accepted changes refer to specifications of the Bonds and/ or Interest calculation method, as well as procedure of Interest payments and/ or repayment of the Nominal Amount, the Issuer shall inform Depository on the mentioned changes according to the regulation determined in the Depository rules.
- 14.9. If the Issuer offers Holders a fee for approving the waiver and the waiver is granted, the Issuer transfers the fee amount to the account stated by a Holder in the decision not later than 30 (thirty) calendar days after the waiver comes into force.

15. Representation of the Holders

- 15.1. Within the framework of the issue, it is not planned, yet not prohibited to create an organization of authorized persons which would represent Holders. In case of the insolvency of the Issuer, every Holder has the right to represent his own interests in creditors' meetings. The Holders will have equal rights for satisfaction of their claims with other creditors in the same claims' group.

16. Disclosure of information

- 16.1. Up to the maturity of Bonds, the Issuer shall publish all the information required by regulatory enactments. After the inclusion of Bonds on the Baltic Bond List, the Issuer will publish all the information in the Nasdaq Riga information system.

17. Force Majeure

- 17.1. The Issuer shall be entitled to postpone the fulfilment of its obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

- a) action of any authorities, war or threat of war, rebellion or civil unrest;
- b) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect operations of the Issuer;
- c) any interruption of or delay in any functions or measures of the Issuer as a result of fire or other similar disaster;
- d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, or
- e) any other similar force majeure or hindrance.

- 17.2. In such case the fulfilment of the obligations may be postponed for the period of the existence of the respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of its obligations as soon as possible.

18. Notices

- 18.1. For so long as the Bonds are not admitted to trading on Nasdaq Riga, all notices and reports to the Holders shall be published on the Issuer's website (mogo.finance).
- 18.2. As of the day when the Bonds are admitted to trading on Nasdaq Riga, all notices and reports to the Holders shall be published on Nasdaq Riga website and in the Central Storage of Regulated Information, as well as on the website of the Issuer (mogo.finance). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

19. Purchase and exchange of the Bonds

- 19.1. The placement period (the "**Placement Period**") for the Bonds is divided in two stages:
- a) The first stage of the Placement Period is the Exchange offer that commences on 12 February 2021 12 am (Riga time) and ends on 25 February 2021 4 pm (Riga time). In the first stage the Existing Bonds can be exchanged for the Bonds with a settlement date on the Issue Date;
 - b) The second stage of the Placement Period commences on 12 February 2021 and ends on 25 February 2021 or when all the Bonds are sold, whichever is

earlier. The Issuer may extend the second stage of the Placement Period at its own discretion. In the second stage of the Placement (New subscription) the Bonds are offered for a price of Nominal Amount plus accrued Interest (if any) and with a settlement date on 2 March 2021. If the Placement Period is shortened or extended at Issuer's discretion, the settlement date shall be on the third Business Day after the end of the Placement Period for New subscription but not earlier than one Business Day after the Issue Date.

- 19.2. By filing a respective corporate event notification to the Depository, within the first stage of the Placement Period the Issuer will offer to all Investors holding the existing bonds of the Issuer (ISIN: LV0000801363 and ISIN: LV0000880029 both with maturity on 31 March 2021) (the "**Existing Bonds**") to exchange the Existing Bonds with the Bonds (the "**Exchange offer**"). The exchange ratio is one-to-one and any number of the Existing Bonds can be used for the exchange.
- 19.3. The Holders of the Bonds may participate in the Exchange offer by submitting within the respective stage of the Placement Period an offer for exchange to their custodian in writing using the Offer form provided by the custodian banks stating the number of Existing Bonds to be exchanged. The custodian shall in turn inform the Depository on the total number of Existing bonds to be exchanged with the Bonds and Investors who requested the exchange.
- 19.4. Every Investor participating in the exchange is entitled to a fee of 2% (two) per cent of Nominal Amount of the Existing Bonds that the Investor has exchanged with the Bonds. The record date for the fee is the Issue Date, the fee is payable on 31 March 2021. For tax purposes the fee is treated as interest payment and the Issuer will make a payment net of applicable withholding taxes.
- 19.5. The Investors wishing to purchase the Bonds shall submit their orders to purchase the Bonds (the "**Purchase Orders**") during the respective stage of the Placement Period.
- 19.6. Investors participating in New subscription are entitled to receive an additional fee, as percentage of the nominal amount of the Bonds subscribed, according to the following principles:
 - 19.6.1. 0.5 (zero point five) % if the subscription amount is between EUR 25'000 (twenty five thousand) and EUR 99'000 (ninety nine thousand);
 - 19.6.2. 1.0 (one) % if the subscription amount is between EUR 100'000 (one hundred thousand) and EUR 200'000 (two hundred thousand);
 - 19.6.3. 2.0 (two) % if the subscription amount is more than EUR 200'000 (two hundred thousand) or if the Purchase Order is submitted by Holder of Existing Bonds as determined on the last coupon record date of the Existing Bonds.
 - 19.6.4. The fee is payable on 31 March 2021. For tax purposes the fee is treated as interest payment and the Issuer will make a payment net of applicable withholding taxes.
- 19.7. The Bonds Placement will be executed via technical means of Nasdaq Riga. Thus, the Offer forms and Purchase Orders may be submitted through any financial institutions that are members of Nasdaq Riga. A complete and up to date list of these financial institutions can be found at the following address: <https://nasdaqbaltic.com/statistics/en/members>.
- 19.8. Total amount of the Bonds to be purchased and provided in each Purchase Order shall be for at least Minimum Investment Amount.
- 19.9. All Purchase Orders shall be considered as binding and irrevocable commitment of the Investors to acquire the allotted Bonds.
- 19.10. By submitting the Purchase Order each Investor agrees with and accepts these Terms and Conditions and undertakes to adhere thereto.

- 19.11. Only those Purchase Orders:
- a) where the purchase amount is for at least Minimum Investment Amount; and
 - b) which are received within the Placement Period;
- shall be considered as valid (the “**Qualifying Purchase Orders**”).
- 19.12. On the next Business Day following the end of the first stage of the Placement Period the Issuer will decide whether to proceed with the issuance of the Bonds or cancel the issuance.
- 19.12.1. In case the Issuer decides to proceed with the issuance of the Bonds, the Issuer shall inform the Depository and publish the information about the results of the Bond Placement during the first stage of the Exchange offer (amount of the Bonds issued and aggregate principal amount) on the Issuer’s website mogo.finance as well as at www.nasdaqbaltics.com.
- 19.12.2. In case the issuance of the Bonds is cancelled, the Issuer will notify the Depository and publish the information on the Issuer’s website mogo.finance as well as at www.nasdaqbaltics.com.
- 19.13. In case the Issuer decides to proceed with the issuance of Bonds, the number of Bonds to be allotted during the second stage of the Placement Period will be the total number of Bonds less the number of Bonds exchanged during the Exchange offer (first stage of the Placement period).
- 19.13.1. In case the total number of Bonds subscribed for during the New subscription is less than the number of Bonds available, the Bonds will be allotted based on Subscription Orders placed.
- 19.13.2. In case the total number of the Bonds subscribed for is higher than the number of the Bonds available, the proportionate reduction principle shall be applied to the extent possible. However, the Issuer and / or Arranger at its sole discretion has a right to refuse to allocate all or part of the subscribed Bonds to any Investor.
- 19.14. Information about the Results of the Bond Placement (amount of the Bonds issued and aggregate principal amount) shall be published on the Issuer’s website mogo.finance as well as at www.nasdaqbaltics.com.
- 19.15. The settlement for the Bonds will be carried out by the Arranger in accordance with the DVP (Delivery vs Payment) principle pursuant to the applicable rules of the Depository. For all of the Existing Bonds to be exchanged with the Bonds, the Depository will instruct a relevant Depository member to transfer the total number of the Bonds to its clients, which in turn will transfer specific number of the Bonds to each of the investors. On the Issue date the Depository will delete a number of the Existing Bonds that were exchanged for the Bonds from each of its members accounts. On the Issue Date the Depository shall record to the Arranger’s distribution account all the Bonds that were not exchanged for during the first stage of the Placement Period. Any Bonds remaining on the Arranger’s distribution account after the second stage of the Placement Period shall be deleted.
- 19.16. Any Investor has the right to receive Interest and Nominal Amount in accordance with the “Interest” and “Maturity, Early Redemption and Principal Payment”, as well as exercise other rights fixed in the Terms and Conditions and legislation of the Republic of Latvia.
- 19.17. The Issuer has the rights to purchase Bonds on the secondary market directly from Investors. Bonds that are purchased by the Issuer are held in Issuer’s financial instruments’ custody account and the Issuer has the rights to sell purchased Bonds to Investors. The Issuer cannot cancel the purchased Bonds held in the Issuer’s financial instruments’ custody account, therefore decreasing the size of Bonds issue.

“Arranger” means Signet Bank AS, registration number 40203158265, legal address at Antonijas iela 3, Riga, LV-1010, Latvia.

20. Availability of the Terms and Conditions

The copies of these Terms and Conditions are available at the legal address of the Issuer at Skanstes iela 52, Riga, LV-1013, Latvia on any Business Day within the limits of normal business hours upon request.

21. Governing Law and dispute resolution

- 21.1. These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of the Republic of Latvia.
- 21.2. Any disputes relating to or arising in relation to the Bonds shall be settled solely by the courts of the Republic of Latvia of competent jurisdiction.

XXVII. TAXATION

The tax legislation in force in the jurisdiction of a potential investor, in the Issuer's country of incorporation (i.e., the Republic of Latvia) and in any other relevant jurisdiction may have an impact on the income which may be received from the Bonds.

The following section is a description of certain tax consequences under the tax laws of Republic of Latvia, Republic of Estonia and Republic of Lithuania with regard to the acquisition, ownership and sale of the Bonds. The following description of the tax situations is not intended to provide exhaustive information that might be necessary for an individual purchase decision regarding the Bonds offered. Only the essential regulations of income taxation are described in an outline. The Issuer points out that the specific tax consequences depend on the personal circumstances of the investors and may be affected by future changes in tax legislation, case law and/or the instructions of the fiscal authority. The description is based on the fiscal law applicable in Republic of Latvia, Republic of Estonia and Republic of Lithuania at the time the Prospectus is being produced. These laws may change with retroactive effect as well. The specific tax treatment of the purchase, ownership or sale of the Bonds is thus only governed by the tax laws applicable in the individual case at any time in the respective interpretation by the fiscal authority and the fiscal courts. It cannot be ruled out that the interpretation by a tax authority or a fiscal court is different from the explanations shown here. Although the following explanations reflect the assessment by the Issuer, they may not be misinterpreted as tax advice or a guarantee. Tax advice cannot be replaced by these explanations and is therefore strongly recommended.

1. Taxation Republic of Latvia

Latvia has concluded tax conventions on the avoidance of double taxation with many countries, under which more favourable tax treatment could be possible. Therefore, if Latvia has a valid tax convention with the country of the potential non-resident investor, it would be advisable to also read its provisions. The procedure for application of the conventions has been determined by the Cabinet of Ministers of the Republic of Latvia on April 30, 2001 in Regulation no. 178 „Procedures for the application of international agreements on double taxation and tax relief for the prevention of tax evasion“.

Taxation of Holders who are natural persons

Natural persons - residents

For tax purposes, an individual shall be considered a resident of the Republic of Latvia where:

- (a) it permanently resides in the Republic of Latvia, or
- (b) it stays in the Republic of Latvia for more than 183 days within any 12-month period, or
- (c) it is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia government.

In a case if an individual has close personal and economical relationships also with other country, a tax treaty concluded between the Republic of Latvia and this country has to be analyzed. The tax treaty can hold specific provisions to determine a country of tax residence for the individual.

In accordance with the Law “On Personal Income Tax”, interest income from Bonds for individuals - residents are subject to a 20 percent tax withheld by the Issuer at the time of disbursement. Income from Bonds expropriation is subject to a 20 percent tax, but in this case the tax is paid by the natural person himself.

Natural persons - non-residents

In accordance with the Law "On Personal Income Tax", interest income from publicly traded Bonds, as well as income from the alienation of publicly traded Bonds is not subject to tax in Latvia.

Taxation of Holders who are legal entities

Legal entities - residents

A legal person is considered to be a resident of Latvia for tax purposes if it has been established and registered or had it must be established and registered in the Republic of Latvia in accordance with the legislation of the Republic of Latvia. This applies to also to permanent establishments of foreign companies in Latvia.

In accordance with the Corporate Income Tax Law, payments for Bonds in public circulation, received by resident legal persons are not subject to withholding tax. Corporate income tax ("CIT") must be paid at the time of profit distribution. The CIT rate applicable to gross distributable earnings is 20 percent. UIN par the net amount of the profit distribution is determined by dividing the net amount by a factor of 0.8 (i.e. the effective tax rate net profit is 25 percent). Respectively, interest income on the Bonds, as well as realized gains from their alienation includes a permanent establishment of a legal person - residents or non-residents of Latvia, taxable income. However, the taxation of those profits takes place only at the time of the distribution of the profits.

Legal entities - non-residents

In accordance with the Corporate Income Tax Law, interest income of non - resident legal entities and

income from the alienation of the Bonds in Latvia is not taxed, unless the recipient is in a low tax or in a tax-free country or territory in accordance with the Cabinet of Ministers of the Republic of Latvia of 9 November 2017 to Regulation No. 655 "Provisions for low-tax or tax-free countries and territories".

2. Taxation Republic of Estonia

Rules on personal income taxation, corporate income taxation applicable to legal entities and permanent establishments of non-residents are provided in Estonian Income Tax Act of 15 December 1999 currently in force, as amended. Estonian tax residents are taxed under the principle of worldwide income.

Taxation of Holders who are natural persons - residents

A natural person arrived in Estonia is a resident if he or she stays in Estonia for at least 183 days over the said course of a period of 12 consecutive calendar months. A natural person shall be deemed to be a resident as of the first day of his or her arrival over the said course of a period of 12 consecutive calendar month. A natural person arrived in Estonia shall be deemed to be a resident until the day of leaving (included), save in the case if the said person has got a permanent, lasting or primary place of residence in Estonia.

In a case if an individual has close personal and economical relationships also with other country, a tax treaty concluded between the Republic of Estonia and this country has to be analyzed. The tax treaty can hold specific provisions to determine a country of tax residence for the individual.

Estonian tax resident individual taxpayers are generally subject to personal income tax at the flat rate of 20 percent, including tax on interests and capital gains.

Capital gains earned by Estonian tax resident individuals from the sale or exchange of fund Bonds is taxed as a profit from the transfer of property. The gain or loss derived from the

transfer of fund Bonds is the difference between the acquisition cost and the sale price of the fund Bonds.

Taxation of Holders who are legal entities - residents

Interest income and capital gains received by resident legal entities and permanent establishments of non-residents is subject to CIT upon distributing of profits.

The resident legal person and the non-resident legal person acting through its permanent establishment registered in Estonia carrying out profit distribution has to pay income tax of the amount of profits distributed.

The Estonian company pays CIT at the moment of payment, while tax rate is calculated from net amount, 20/80 of the payment.

From year 2019, a reduced tax rate (14/86) applies to part of dividends paid by the Estonian resident company regularly (The profit distributed in a calendar year, which is smaller than or equal to the average distributed profit of the previous three calendar years (starting from 2018) on which a resident company has paid income tax).

3. Taxation Republic of Lithuania

Taxation of Holders who are natural persons – residents

An individual is a tax resident of Lithuania whose:

- (a) permanent place of residence is in Lithuania, or
- (b) whose personal, social or economic interests are located in Lithuania, or
- (c) who is present in Lithuania continuously or intermittently for at least 183 days in the relevant tax period, or at least 280 days in two consecutive tax periods and at least 90 days in one of these tax periods, or
- (d) who is a citizen of Lithuania and who does not meet any of the aforesaid criteria but for whom remuneration for the work carried out abroad is paid or costs of living abroad are covered by the Republic of Lithuania or any of the municipalities thereof.

In a case if an individual has close personal and economical relationships also with other country, a tax treaty concluded between the Republic of Lithuania and this country has to be analyzed. The tax treaty can hold specific provisions to determine a country of tax residence for the individual.

Interest from the Bonds and capital gain from the disposal of the Bonds earned by a resident individual is subject to personal income tax at progressive tax rates:

- (a) 15%, which applies on income not exceeding the established threshold, and
- (b) 20%, which applies on income exceeding the threshold.

The threshold is equal to 120 state average monthly salaries (as established by the Parliament of the Republic of Lithuania on a yearly basis). This threshold applies to the total annual worldwide income of an individual other than:

- (a) employment and employment related income,
- (b) dividends,
- (c) management board and supervisory board member's remuneration,
- (d) income from individual entrepreneurship,
- (e) income received under copyright contracts from a person related to the individual through employment or similar relations,
- (f) income received under civil service agreements by directors of small partnerships who are not the members thereof.

Taxation of Holders who are legal entities - residents

A “resident entity” means an entity which is legally established in Lithuania.

Taxation of a non-resident entity acting through a permanent establishment in Lithuania is the same as that of a resident entity defined above, if such a non-resident entity earns income from the Bonds through its permanent establishment in Lithuania.

Interest from the Bonds and capital gains from the disposal of the Bonds earned by resident entities is to be included into the taxable income of an entity and profit of such entity is to be taxed with 15% CIT (unless a reduced 0% or 5% CIT applies to a small enterprise under the Law on Corporate Income Tax of the Republic of Lithuania) under the general taxation rules applicable

XXVIII. LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEE AND THE BONDS AND CERTAIN INSOLVENCY CONSIDERATIONS

Set out below is a summary of certain limitations on the enforceability of the Bonds and Guarantee in the jurisdictions in which the Issuer and the Guarantor is organized or incorporated. It is a summary only, and bankruptcy proceedings, restructuring proceedings, insolvency proceedings or other similar proceedings could be initiated in any of these jurisdictions. In addition, as further described below, the COMI of the Issuer or a Guarantor may be determined to be different than its jurisdiction of incorporation. See *“Risk Factors—Risk Factors Relating to the Bonds—Relevant insolvency and administrative laws may not be as favorable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Guarantee and the Issuer and the Guarantor are subject to risks relating to the location of their center of main interest (“COMI”).”* The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction’s law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Bonds and the Guarantee. Also set forth below is a brief description of certain aspects of insolvency laws in the jurisdictions of incorporation of the Issuer and the Guarantor.

EUROPEAN UNION

The Guarantor is organized under the laws of EU Member State. Pursuant to the Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended (the **“EU Insolvency Regulation”**), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its “center of main interests” (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its “center of main interests” is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

The term “center of main interests” is not a static concept and may change from time to time. See *“Risk Factors—Risk Factors Relating to the Bonds—Relevant insolvency and administrative laws may not be as favorable to creditors, including Holders, as insolvency laws of the jurisdictions in which you are familiar and may limit your ability to enforce your rights under the Bonds and the Guarantee and the Issuer and the Guarantors are subject to risks relating to the location of their center of main interest (“COMI”).”* Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its “center of main interests” in the EU Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the “center of main interests” of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and “is therefore ascertainable by third parties.” In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company’s creditors are established may all be relevant in the determination of the place where the company has its “center of main interests,” with the company’s “center of main interests” at the time of initiation of the relevant insolvency proceedings being not only decisive for the international jurisdiction of the courts of a certain Member State, but also for the insolvency laws applicable to these insolvency proceedings as each court would, subject to certain exemptions, apply its local insolvency laws (*lex fori concursus*).

If the “center of main interests” of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court

in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be opened in another EU Member State. If the “center of main interests” of a debtor is in one EU Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open “territorial proceedings” only in the event that such debtor has an “establishment” in the territory of such other EU Member State. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation. Irrespective of whether the insolvency proceedings are main or territorial proceedings, such proceedings will always, subject to certain exemptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

In the event that the Issuer or the Guarantor experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings will be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer and Guarantor by the Issuer or any other company. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other and there is no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

LATVIA

Applicable insolvency law

The Issuer is incorporated under the laws of the Republic of Latvia. Its registered office along with its center of management and supervision is in Riga, Latvia. As such, any insolvency proceedings applicable to the Issuer would be primarily governed by Latvian law.

Rehabilitation proceedings

Pursuant to Latvian insolvency law, a company experiencing financial distress problems may apply for legal protection proceedings. Once the court has initiated such proceedings, the enforcement of judgments on debt recovery is stayed, the secured creditors are prohibited to request the sale of the pledged assets, except if such prohibition causes a material harm to the interests of the creditor and the court decides to allow to sell pledged assets, the creditors are prohibited to submit insolvency application, the debtor is prohibited from the liquidation, the accrual of any contractual penalty, late payment interest and late charges of tax claims are stayed and the accrual of any contractually agreed creditors' interest in excess of either: (i) the statutory interest rate, or (ii) the main refinancing operation rate published by the European Central Bank (whichever is higher) is discontinued. Within two months of the proceedings having commenced, the company is required to draft and approve with a simple majority of non-secured creditors and qualified majority of secured creditors a plan to restore the company to solvency which may provide for, inter alia, postponement of fulfillment of payment obligations or reduction of the company's debt. The term may be prolonged for additional month if the qualified majority of secured creditors and simple majority of non-secured creditors have approved it. The plan has legal effect upon the provision of a written opinion by the person supervising the legal protection proceedings of the company's and approval of such plan by the court. The measures provided in the court approved plan are binding on all the creditors irrespective of whether they have accepted the plan or not. Once approved, the plan will be operational and binding on the creditors for not more than two years with an extension for another two years contingent upon approval by the company's creditors.

Further, Latvian insolvency law provides for so called out of court legal protection proceedings. A plan to restore the company to solvency is drafted by the company and approved by a simple majority of non-secured creditors and qualified majority of secured creditors of the company before the court has initiated any formal proceedings. The plan has no legal effect until the court approves it, which approval is contingent upon the court being provided with a written opinion by the person supervising the legal protection proceedings of the company. Once it has been approved, the legal consequences of out of court legal protection proceedings upon creditors of a company are identical to those in legal protection proceedings initiated by the court.

Bankruptcy proceedings

Generally, if a company is unable to settle its debt that has fallen due for a time period that exceeds two months, it must apply to the court for a declaration of insolvency. An insolvency application may also be filed by any creditor of the company if the amount of the company's overdue debt owing to such creditor is in excess of EUR 4,268 and the creditor has given notice to the company of its intention to apply for a declaration of insolvency against the company and the debt has not been repaid or the company has not provided justified objections to such claim within three weeks since the date of the notice.

Within one month following the publication of a declaration of insolvency of the company in the Latvian Insolvency Registry, the company's creditors are required to file their claims for verification with an administrator appointed by the court. Claims can also be filed after the one month period (although, not later than the earlier of: (i) the date which is six months following the publication of the declaration of insolvency, or (ii) the date on which the insolvency administrator prepares the plan for settlement of creditors' claims), however, such creditors' claims will have no voting rights within insolvency proceedings. To the extent that claims are not filed within this period, creditors will lose their right to receive funds and proceeds from the sale of the company's assets when distributed to the company's creditors.

The proceeds from sale of the company's assets are distributed among creditors according to the ranking of the creditors. If it is not possible to fully satisfy the total amount of claims of all creditors in a particular class, claims are satisfied proportionately on a pro rata basis. Proceeds from the sale of any pledged or mortgaged asset are allocated, firstly, for the settlement of the costs connected to the sale of the assets and remuneration of insolvency administrator, and, secondly, for the settlement of the claims of secured creditors in the amount of the pledged property, but not exceeding the amount of the security. Secured creditors are regarded as first rank creditors with regard to proceeds received from the sale of the pledged assets. If, when selling the pledged property of the company, an amount of money received does not cover the claims of the secured creditors, after taking of the decision by the administrator the relevant creditors shall acquire the status of nonsecured creditor for the part of the claim not covered.

Possible limitations on the enforceability of guarantees

Under Latvian law and court practice, a natural and/or legal person may offer collateral or issue a guarantee to secure fulfillment of a third party's liabilities, provided there is a corporate benefit for such person to do so.

It is prohibited to provide collateral or issue a guarantee securing the financing granted for the acquisition of shares in such company.

In addition, there is a risk that the insolvency administrator of the guarantor may request the court to declare the guarantee as null and void if insolvency proceedings of the guarantor are initiated. If the administrator finds that the agreement in question has caused loss to the company (e.g., sale of assets under market value or granting certain rights without consideration), the administrator is entitled to dispute such agreement in court.

There is little practice in Latvian courts in regard to disputing intra-group guarantees. Usually intra-group transactions have a different effect than agreements among unrelated parties

because they provide indirect benefit to the guarantor. Thus, there is a risk that a guarantee under Latvian law may be declared null and void if the guarantor does not receive at least some benefit as a result of the guarantee.

Distinction between a guarantee and a surety

Latvian law does not provide an explicit distinction between a guarantee and a surety, but it is recognized in practice. Based on the doctrine the liability of a guarantor under a guarantee does not depend on the validity of the principal secured obligation (despite that the latter is indicated in the guarantee) and is limited to the amount indicated in the guarantee (if any). The guarantor's obligation to pay under the guarantee arises in accordance with the terms of the guarantee. The guarantor's liability is several. In case the security is qualified as a surety, the liability of the surety provider under the surety is either joint and several (i.e. solidary) (*eksponsorisks galvojums*) or several (*neeksponsorisks galvojums*). In the case of several liability, the enforcement must firstly be sought from the original debtor, and only if the original debtor is not able to settle the debts can the enforcement be sought from the surety provider. In case of joint and several liability, the enforcement may be sought from either the original debtor or the surety provider or both. The obligations under the surety may be enforced only if the principal obligations secured with the surety have matured. If the principal debtor becomes insolvent and due to the insolvency proceedings cease to exist, the surety from the accessory obligations becomes the independent obligations and the creditor may seek for the enforcement from the surety provider.

LUXEMBOURG

Insolvency

In the event that the Guarantor becomes insolvent, insolvency proceedings (e.g., in particular, bankruptcy proceedings (*faillite*), controlled management proceedings (*gestion contrôlée*) and composition proceedings with creditors (*concordat préventif de la faillite*)) may be opened in Luxembourg to the extent that the Guarantor has its center of main interest located in Luxembourg or an establishment in Luxembourg within the meaning the EU Insolvency Regulation (in relation to secondary proceedings assuming in this case that the center of main interests is located in a jurisdiction where the EU Insolvency Regulation is applicable). If a Luxembourg court having jurisdiction commences bankruptcy proceedings against the Guarantor, all enforcement measures against such companies will be suspended, except, subject to certain limited exceptions, for enforcement by secured creditors. Holders will thus not be able to enforce the Guarantee once bankruptcy proceedings have commenced.

In addition, the Holders' ability to receive payment on the Bonds may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiement*) as provided by articles 593 et seq of the Luxembourg Code of Commerce or to put the Guarantor into judicial liquidation (*liquidation judiciaire*) pursuant to article 1200-1 of Luxembourg Company Law. Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the Luxembourg Code of Commerce or of the laws governing commercial companies, including Luxembourg Company Law and those laws governing authorization to do business.

Liability of the Guarantor in respect of the Bonds will, in each case, in the event of a liquidation of the relevant company following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those other debts that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue Office;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise Agency;

- social security contributions; and
- remuneration owed to employees.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the relevant Luxembourg company during the period before bankruptcy, the so-called “hardening period” (période suspecte) which is a maximum of six months (and ten days, depending on the transaction in question) preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the hardening period at an earlier date pursuant to article 613 of the Luxembourg Code of Commerce.

In addition to the above, it should be noted that on 1 February 2013, the Luxembourg government has filed a bill to reorganize the Luxembourg insolvency proceedings. However, it cannot be foreseen when such bill will be passed by the Luxembourg Parliament and become law. As the bill may be substantially amended during the legislative process, the impact of the new law on the liability of the Guarantor in respect of the Bonds cannot be foreseen at the present time.

XXIX. GUARANTEE

1. Definitions

- 1.1. Bonds – 11% unsecured bonds due 31 March 2024 for an aggregate principal amount of EUR 30,000,000.00 (the “Bonds”) as from 1 March 2021
- 1.2. Creditor – owner of the Bonds.
- 1.3. Issuer – AS “mogo”, a joint stock company (*Akciju Sabiedrība*) incorporated and existing under the laws of the Republic of Latvia, registered with the Register of Enterprises of the Republic of Latvia (*Latvijas Republikas Uzņēmumu Reģistrs*) under number 50103541751 and having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia
- 1.4. Guarantor – Mogo Finance S.A a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B.174457 and having its registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg.
- 1.5. Arranger – Signet Bank AS, registration number 40203158265, legal address at Antonijas iela 3, Riga, LV-1010, Latvia.
- 1.6. Debt – all financial liabilities of the Issuer towards Creditor under the Terms and Conditions, including but not limited to the principal of the Bonds, interest, penalty (if any) and other mandatory payments that the Issuer is obliged to make in favour of Creditors under the Terms and Conditions.
- 1.7. Terms and Conditions – terms and conditions governing the issue of the Bonds and obligations of the Issuer and Guarantor pertaining thereto.
- 1.8. Guarantee – present document whereby the Guarantor undertakes to guarantee the fulfilment of the Issuer’s obligations towards Creditors under the Bonds and the Terms and Conditions.

2. General Provisions

- 2.1. Insofar the present Guarantee does not provide otherwise the meaning of term used in the Guarantee correspond with the meaning of terms used in the Terms and Conditions.
- 2.2. By signing the present Guarantee, the Guarantor confirms it has received all the necessary corporate and other approvals for signing the Guarantee and thus binding the Guarantor with obligations hereunder.
- 2.3. This Guarantee enters into force in the moment on the date of signing. The Guarantee is irrevocable and shall remain in force until the Debt is settled in full.
- 2.4. The Guarantee is governed by Republic of Latvia law and is „*Galvojums*“ in accordance with the Civil Law of the Republic of Latvia.
- 2.5. Disputes related to this Guarantee including disputes related to fulfilment of Guarantor’s obligations hereunder shall be resolved at the court of general jurisdiction of the Republic of Latvia. The first instance court shall be any of the first instances courts located in Riga (Latvia).
- 2.6. This Guarantee is signed in two original counterparts, one of which shall be retained by the Guarantor and other by the Arranger.

3. Scope of the Guarantee

- 3.1. The Guarantor guarantees the fulfilment of Issuer's obligations towards Creditors under the Bonds and the Terms and Conditions, i.e., the repayment of the Debt.
- 3.2. The Guarantor undertakes the Issuer's obligations under the Bonds and Terms and Conditions as the Issuer itself and waives the right to request from Creditor to direct the collection of the Debt from the Issuer in the first place. Therefore, obligations of the Guarantor correspond with Issuer's obligations under the Bonds and Terms and Conditions.
- 3.3. The Guarantee shall not be limited by any terms and conditions that are not expressly stated herein, except Terms and Conditions of the Bonds.
- 3.4. The Guarantor shall be released from its obligations against Creditors only if the Debt ceases to exist and all related claims of the Creditors against the Issuer are satisfied.

Latvia, Riga, Date: 26.01.2021

Signatures:

authorised representative of the Guarantor
in accordance to general meeting
of the shareholders
in Luxembourg on 11.01.2021
Māris Kreics Type A director