



## Mogo Finance

Luxembourg

Listing Prospectus

**EUR 25,000,000.00**

**9.50 % Senior Secured Bonds 2019/2022 (the "New Bonds")**

to be consolidated and form a single series with the Existing Bonds

with a Term from 11 July 2018 until 10 July 2022

of 13 November 2019

International Securities Identification Number (ISIN): XS1831877755

Common Code: 183187775

### **Issue price of New Bonds: 95 per cent plus accrued unpaid interests**

Mogo Finance (the "**Issuer**"), a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg has issued 9.50% senior secured bonds due 10 July 2022 for an aggregate principal amount of EUR 25,000,000.00 (the "**New Bonds**"), to be consolidated and form a single series with the 9.50% senior secured bonds due 10 July 2022 for an initial aggregate principal amount of EUR 75,000,000.00 (the "**Existing Bonds**" and, together with the New Bonds, the "**Bonds**") as from 13 November 2019 (the "**Issue Date**").

The New Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer. The New Bonds will at all times rank *pari passu* in right of payment with all other present and future secured obligations of the Issuer and senior to all its existing and future subordinated debt. The New Bonds are unconditionally and irrevocably guaranteed on a joint and several basis by certain subsidiaries of the Issuer listed under Section - XXI. "*Information about the Group and the Guarantors*", 3 "*Issuer and Subsidiaries*" (the "**Guarantors**") under the terms and conditions set forth herein (collectively the "**Guarantees**" and each a "**Guarantee**"). The New Bonds are further secured by the Transaction Securities (as defined below) granted by certain other direct and indirect subsidiaries of the Issuer (the "**Pledgors**" and, together with the Guarantors, the "**Security Providers**").

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 New Bonds to be admitted to trading on Frankfurt Stock Exchange's regulated market segment.

This Prospectus has been approved by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier – "**CSSF**"); the CSSF approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation; such approval should not be considered as an endorsement of the Issuer, the Guarantors or the Bonds. Each potential investor should make their own assessment as to the suitability of investing in the Bonds.

Pursuant to Article 6 para. 4 of the Luxembourg Law of 16 July 2019 on prospectuses for securities (the “**Prospectus Law**”), by approving the Prospectus, the CSSF does not take any responsibility for the economic or financial soundness of the transaction and the Issuer’s quality and financial solvency.

The approval of this Prospectus has been notified to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “**BaFin**”) in accordance with Article 25 of the Prospectus Regulation. The approved prospectus may be downloaded from the Issuer’s website (<https://mogo.finance/>) and the website of the Luxembourg stock exchange (www.bourse.lu). Application has been made to the Frankfurt Stock Exchange for the New Bonds to be admitted to trading on Frankfurt Stock Exchange’s regulated market segment (*General Standard*), segment for bonds of Deutsche Börse AG. The Existing Bonds are already admitted to trading on the Frankfurt Stock Exchange’s regulated market segment (*General Standard*), segment for bonds of Deutsche Börse AG.

This Prospectus shall be valid for admission to trading of the Bonds on a Regulated Market for 12 months after the approval by the CSSF, 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 New 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 New 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.

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# I. SUMMARY OF THE PROSPECTUS

## Section 1 - Introduction and Warnings

### Introduction

#### The securities

9.50% senior secured bonds due 10 July 2022 for an aggregate principal amount of EUR 25,000,000.00 of 13 November 2019 to be consolidated and form a single series with the existing EUR 75,000,000.00 9.50 % Senior Secured bonds 2018/2022 with a term from 11 July 2018 until 10 July 2022 with ISIN XS1831877755.

#### The issuer

The Issuer is Mogo Finance, 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 Issuer's legal identifier (LEI) is 894500N14T2GUDX0FL66.

#### Competent authority approving the Prospectus and date of approval

In order for the New Bonds to be admitted to trading on Frankfurt Stock Exchange's regulated market segment, this Prospectus has been approved on 13 November 2019 by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier – "CSSF"*), with address at 283, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg. Its telephone number is +352 26 25 1 - 1 (switchboard), its fax number is +352 26 25 1 – 2601 and its email is [direction@cssf.lu](mailto:direction@cssf.lu).

### 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

Mogo Finance, a public limited liability company (*société anonyme*) incorporated and operating 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 is the Issuer. Its telephone number is +352 26 186 526 and its fax number is +352 26 84 54 10. The Issuer's legal identifier (LEI) is 894500N14T2GUDX0FL66. As at the date of this Prospectus, the parent company of the Group is the Issuer.

#### Principal activities

Pursuant to article 3 of the restated articles of association (*statuts coordonnés*) of the Issuer dated 6 June 2016, as amended pursuant to shareholder resolutions dated 12 October 2018 and shareholder resolutions dated 29 October 2019, the Issuer'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 Issuer 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 Issuer 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 Issuer.

The Issuer 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 Issuer or is affiliated in any way with the Issuer, including companies or entities in which the Issuer 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 Issuer 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 Issuer and its group companies (the "**Group**"), specialized in used car financing.

#### Major shareholders

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

	<b>Details of the holder entity</b>	<b>Number of shares</b>	<b>%</b>
1	<b>SIA "AK Family Investments"</b>	46,562,492	46.5625%
2	<b>AS Novo Holdings</b>	15,520,836	15.5208%
3	<b>AS Obelo Capital</b>	15,520,836	15.5208%
4	<b>LVS Limited</b>	15,520,836	15.5208%
	<b>Sum</b>	<b>93,125,000</b>	<b>93.125%</b>

As of the date of this Prospectus, the beneficial owners of the Issuer are: (i) Aigars Kesenfelds, holding indirectly 46.5625 % of the voting share capital of the Issuer; (ii) Alberts Pole, holding indirectly 15.5208 % of the voting share capital of the Issuer; (iii) Kristaps Ozols, holding indirectly 15.5208 % of the voting share capital of the Issuer; and (iv) Māris Keišs, holding indirectly 15.5208 % of the voting share capital of the Issuer. The remaining voting share capital of the Issuer is controlled by current and former employees of the Issuer.

#### Key managing directors

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

#### Statutory auditor

The current statutory auditor (*réviseur d'entreprises agréé*) of the Issuer is 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.

#### ***What is the key financial information regarding the Issuer ?***

The Issuer is the parent company of the Group. The tables below present the key selected consolidated financial information for the Group as at and for (i) the financial years ended 31 December 2018 and 31 December 2017 derived from the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2018 (including



restated comparative financial information for the financial year ended 31 December 2017) prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”), and (ii) the six-month periods ended 30 June 2019 and 30 June 2018 derived from the unaudited interim consolidated financial information as at and for the six-month period ended 30 June 2019 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 Issuer (in Million EUR)*

EUR	Jan-Dec 2018	Jan-Dec 2017	Jan-June 2019	Jan-June 2018
Total comprehensive income for the year/period	4.7	8.5	2.7	2.8

*Selected consolidated statement of financial position data of the Issuer (in Million EUR, except percentages)*

EUR	Dec 31, 2018	Dec 31, 2017	Jun 30, 2019
Total liabilities	159.0	101.0	195.9
Total equity and liabilities	174.3	112.5	213.8
Total equity attributable to equity holders of the parent company	14.8	11.1	17.6

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

EUR	Jan-Dec 2018	Jan-Dec 2017	Jan-June 2019	Jan-June 2018
Net cash flows to/from operating activities	(27.4)	(26.6)	(17.0)	(23.2)
Net cash flows to/from financing activities	43.3	30.8	33.2	26.5
Net cash flows from investing activities	(14.4)	(1.3)	(17.4)	(5.6)

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

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.

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. 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. Our shareholders have agreed to provide further capital to rebalance our capitalization ratio, but any such provision is subject to the shareholders being able to meet their commitment. 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

Certain countries where the Group operates pose risks of corruption violations. 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.

### Section 3 – The securities

#### **What are the main features of the securities ?**

##### Type, class and ISIN

9.50% senior secured bonds due 10 July 2022 for an aggregate principal amount of EUR 25,000,000.00 (the “**New Bonds**”) to be consolidated and form a single series with the existing EUR 75,000,000.00 9.50 % senior secured bonds 2018/2022 (the “**Existing Bonds**”, together with the New Bonds, the “**Bonds**”), payable to the bearer, with ISIN XS1831877755.

##### Number of New Bonds, denomination, currency and term

25,000 New Bonds in the denomination of EUR 1,000.00 each with a term from 11 July 2018 until 10 July 2022.

##### Rights attached to the New Bonds

The New Bonds will bear interest from (and including) 10 July 2019 to 10 July 2022 at a rate of 9.50 percent per annum. The interest is payable semi-annually in arrears on 10 January and 10 July in each year, commencing on 10 January 2020. Interest Rate on the Bonds is fixed at 9.50 per cent per annum.

The Bonds are unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors (as listed below) and are further secured by local law transaction securities granted by the following direct and indirect subsidiaries of the Issuer (the “**Pledgors**”): AS “mogo” (*Latvia*), mogo OÜ (*Estonia*), UAB “mogo LT” (*Lithuania*), Mogo LLC (*Georgia*), Mogo IFN SA (*Romania*), Mogo Bulgaria OOD (*Bulgaria*), O.C.N. “MOGO LOANS” SRL (*Moldova*), MOGO Universal Credit Organization LLC (*Armenia*) and OOO “Mogo Credit” (*Belarus*).

Greenmarck Restructuring Solutions GmbH, established in 2010 and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany, or subsequently any other bondholders’ agent appointed from time to time pursuant to the terms and conditions of the Bonds (the “**Terms and Conditions**”), is the Holders’ agent and security agent. No Holder may take individual action against the Issuer relating to the New Bonds in accordance with the Terms and Conditions.

##### Status and ranking of the New Bonds

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

##### Transferability of the New Bonds

The New Bonds are freely transferable but the Holders may be subject to purchase or transfer restrictions with regards to the New Bonds, as applicable from time to time under local laws to which a Holder may be subject.

#### **Where will the securities be traded ?**

The New Bonds are and will be admitted to trading on the Frankfurt regulated market in the aggregate principal amount of EUR 25,000,000.00 in a denomination of EUR 1,000.00 each, to be consolidated and form a single series with the Existing Bonds. The Existing Bonds have been admitted to trading on the Euro MTF of the Luxembourg Stock Exchange without the consent of the Issuer.

#### **Is there a guarantee attached to the securities ?**

##### Nature and scope of the Guarantee

The Guarantors 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 Guarantors

The companies listed below are the Guarantors, which are direct or indirect subsidiaries of the Issuer and part of the Group.

	<b>Name and Country</b>	<b>LEI</b>	<b>Address</b>	<b>Activity</b>
1.	AS "mogo" ( <i>Latvia</i> )	213800DOKX626GYVOI32	Skanstes street 50, LV-1013 Riga, Latvia	Vehicle leasing services and consumer lending
2.	mogo OÜ ( <i>Estonia</i> )	894500O6EC87XECNSH80	Pärnu mnt 148, Tallinn, 11317, Harjumaa, Estonia	Vehicle leasing services
3.	UAB "mogo LT" ( <i>Lithuania</i> )	39120022FMEDWPAHAI87	Vilniaus m. sav. Vilniaus m. Perkūnkiemio g. 6, Lithuania	Vehicle financial leasing services and consumer services
4.	Mogo LLC ( <i>Georgia</i> )	894500O761Z24B022906	42a Al. Kazbegi Street, Vake-Saburtalo District, 0160, Tbilisi, Georgia	Vehicle financial leasing services
5.	Mogo sp. z.o.o. ( <i>Poland</i> )	894500QW0MCMYNLK4MP90	ul. Chocimska, nr 35, lok. 26, miejsc. Warszaw, kod 00-791, poczta, Warsaw, Poland	Vehicle financial leasing services
6.	Mogo IFN SA ( <i>Romania</i> )	894500QW65WQAKW0A937	Calea Victoriei Avenue, number 155, flat D1, section 6, floor 4, Bucarest, Romania	Vehicle financial leasing services
7.	Mogo Bulgaria OOD ( <i>Bulgaria</i> )	894500QVV2T70M88Z576	16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria	Vehicle financial leasing services
8.	O.C.N. "MOGO LOANS" SRL ( <i>Moldova</i> )	894500VY0OPZ52J91R45	MD-2060, Cuza-Voda 20/A, Chisinau, Moldova	Vehicle financial leasing services
9.	Mogo Albania SH.A. ( <i>Albania</i> )	894500VXV567I37DE796	Rruga "Abdulla Keta", Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirane, Albania	Vehicle financial leasing services
10.	OOO "Mogo Credit" ( <i>Belarus</i> )	894500VXPLMFV3VHQN64	Petra Mstislavtsa street 24, office No. 172, 220114, Minsk, Belarus	Vehicle financial leasing services
11.	AS Mogo Eastern Europe ( <i>Latvia</i> ) (previously "SIA HUB 3")	894500VXK22O84JM3317	Skanstes iela 50, Riga, LV-1013, Latvia	Holding entity
12.	Risk Management Service OÜ ( <i>Estonia</i> )	391200X1CXGYIJ56QT25	Pärnu mnt 148, Tallinn, 11317, Harjumaa, Estonia	Debt recovery service for the Group

13.	MOGO Universal Credit Organization LLC ( <i>Armenia</i> )	8945000Q63TANX0C5R15	18/2, Vardanants Street, Offices 4,5,6, 0010 Yerevan, Armenia	Vehicle financial leasing services
14.	"MOGO UKRAINE" LLC ( <i>Ukraine</i> )	894500V4RIE3ULU6Q723	Marshall Rybalka street, house 11b, office 8, Kyiv, 04116, Ukraine	Vehicle financial leasing services
15.	AS Mogo Baltics and Caucasus ( <i>Latvia</i> ) (previously "AS HUB 1")	8945000QMQGLKUZZ4F62	Skanstes iela 50, Rīga, LV-1013, Latvia	Holding entity
16.	AS HUB 2 ( <i>Latvia</i> )	8945000QH6WTXVO3GV14	Skanstes iela 50, Rīga, LV-1013, Latvia	Holding entity
17.	AS Mogo Central Asia (previously AS HUB 4) ( <i>Latvia</i> )	8945000QBND2AWC7TB73	Skanstes iela 50, Rīga, LV-1013, Latvia	Holding entity
18.	AS Longo Group ( <i>Latvia</i> )	894500SNGNS9HL2FSI45	Skanstes iela 50, Rīga, LV-1013, Latvia	Holding entity, sale of cars and light motor vehicles
19.	AS Longo Latvia ( <i>Latvia</i> )	894500SNM7C14KEBG250	Skanstes iela 50, Rīga, LV-1013, Latvia	Sale of cars and light motor vehicles, sale of other motor vehicles
20.	UAB Longo LT ( <i>Lithuania</i> )	894500SNRQVSRJQ73M79	Perkūnkiemio St 13-91, Vilnius, the Republic of Lithuania	Sale of cars and light motor vehicles, sale of other vehicles
21.	Longo Estonia OU ( <i>Estonia</i> )	894500SNXAFKEJ22R622	Harju maakond, Tallinn, Kesklinna linnaosa, Parnu mnt 22, 10141, Republic of Estonia	Sale of cars and light motor vehicles, sale of other motor vehicles
22.	Longo Netherlands B.V. ( <i>Netherlands</i> )	894500SO2TZC1IDYEQ18	Winthontlaan 200, 3526KV Utrecht, the Netherlands	Sale of other vehicles
23.	Longo Georgia LLC ( <i>Georgia</i> )	894500SMUHL6XNQX6A11	David Agmashenebeli ave 129a-4, Didube-Chugureti district, Tbilisi, Georgia	Sale of cars and light motor vehicles, sale of other motor vehicles
24.	Longo LLC ( <i>Armenia</i> )	894500SN014YKN2STU65	RA, Yerevan city, Tumanyan street, b.10, apt.19, Armenia	Sale of cars and light motor vehicles, sale of other motor vehicles
25.	Leasing Company MOGO DOOEL Skopje ( <i>North Macedonia</i> )	894500SN5KOQ7MEOHE78	Str. Anton Popov, no.1/2 mezanin-local 3, 1000 Skopje, North Macedonia	Financial leasing and credit granting
26.	AS Renti ( <i>Latvia</i> )	894500SMOY1FAOF1IQ54	50 Skanstes Street, Riga, LV-1013, Latvia	Renting and leasing of cars and light motor vehicles, renting and leasing of trucks, sale of cars and light motor vehicles, sale of other motor vehicles

27.	UAB Mogo Eastern Europe LT (previously "UAB HUB 3 LT") (Lithuania)	894500SNB48HULQK4Y41	Ukmergės g. 322-1, Vilnius, Lithuania	Management activities
28.	AS Mogo Africa (Latvia)	894500SOJGMMYGDLE03	50 Skanstes Street, Riga, LV-1013, Latvia	Holding entity, other financial services activities except insurance and pension funding
29.	UAB Mogo Africa (Lithuania) (previously "UAB HUB 5 LT")	894500SOP06ELFPH0Y21	Vilnius m. sav. Vilnius m. A. Vivulskio g. 7, LT-03162, Vilnius	Holding entity, other financial services activities except insurance and pension funding
30.	Mogo Loans - SMC Limited (Uganda)	894500SOUJQ68F1COI39	Plot 1, Kololo Hill Drive, P.O. Box 2255, Kampala, Uganda	Financial leasing and credit granting
31.	Mogo Kenya Limited (Kenya)	894500SP039XVED8C268	Ngong road, Prestige Mall, LR No.209/410/2/4 & 5, Nairobi, Kenya and P.O Box 29107, G.P.O Nairobi	Financial leasing and credit granting
32.	TOO Mogo Kazakhstan (Kazakhstan)	894500SODX2VBH1PPU69	Al-Farabi avenue, 77/2, 11B, Almaty, Republic of Kazakhstan	Financial leasing and credit granting
33.	OOO Mogo Lend (Uzbekistan)	894500SO8DJ3OHPU2A10	4 Afrosiyab street, Mirabad district, Tashkent, 100031, Republic of Uzbekistan	Financial leasing and credit granting
34.	Longo Belgium BVBA (Belgium)	894500SP5MTPIDP3ZM60	Hendrik van Veldekesingel 150/116, 3500 Hasselt, Belgium	Purchase and sale of cars and light motor vehicles, sale of other motor vehicles
35.	Maxxus GMBH (Germany)	894500SPB6DH5D0ZN688	Dennewartstr. 25-27, D-52068 Aachen, Germany	The rental and leasing of motor vehicles, trucks, vans, vehicles and equipment of all kinds for commercial or private purposes

#### Key financial information regarding the Guarantors

The tables below present key selected consolidated financial information for AS "mogo" as at and for the financial years ended 31 December 2017 and 31 December 2018. This information has been derived from AS "mogo"'s audited consolidated financial statements as at and for the year ended 31 December 2018 (including restated comparative financial information as at and for the financial year ended 31 December 2017). Such consolidated financial statements of AS "mogo" have been prepared in accordance with the IFRS.

#### *Selected statement of comprehensive income data of AS "mogo" (in Million EUR)*

EUR	Jan- Dec 2018	Jan-Dec 2017	Jan- June 2019	Jan- June 2018
Total comprehensive income for the	2.8	3.6	3.1	0.5

year/period				
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*Selected statement of financial position data of AS "mogo" (in Million EUR)*

EUR	Dec 31, 2018	Dec 31, 2017	Jun 30, 2019
Total liabilities	45.8	44.5	48.8
Total equity and liabilities	52.6	54.3	59.3

*Selected cash flow statement data of AS "mogo" (in Million EUR)*

EUR	Jan-Dec 2018	Jan-Dec 2017	Jan-June 2019	Jan-June 2018
Net cash flows to / from operating activities	-	(4.3)	13.3	(2.0)
Net cash flows to / from financing activities	0.1	23.1	1.4	9.2

**Most material risk factors specific to the Guarantors**

The Issuer and the Guarantors are affected, substantially, by the same risks as those that affect the business and operations of the entire Group. For the most material risk factors specific to the Group see section 2 above "*What are the risks specific to the Issuer ?*".

***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 additional amounts, if any, 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 New 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 New Bonds to trading on the Frankfurt Stock Exchange's regulated market segment, in accordance with the Terms and Conditions and there is no offer to acquire any New Bond. The Issuer intends to use the net proceeds from the issue of the New Bonds estimated to EUR 24m to refinance part of the current debt of the Group companies received through the Mintos marketplace lending platform, which as at 30 June 2019 is in the amount of EUR 73.8m.

The issue of the New Bonds is not subject to an underwriting agreement. There are no material conflicts of interest pertaining to the admission of the New Bonds to trading on the Frankfurt Stock Exchange's regulated market segment.

## II. GERMAN TRANSLATION OF THE SUMMARY (DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG)

### Abschnitt 1 - Einführung und Warnhinweise

#### **Einführung**

##### Wertpapiere

9,50% Anleihen mit Fälligkeit am 10. Juli 2022 im Gesamtnennwert von EUR 25.000.000,00 vom 13. November 2019 werden konsolidiert und bilden ab dem Ausgabedatum eine einzelne Serie mit den bestehenden EUR 75.000.000,00 9,50 % Anleihen mit Fälligkeit 2018/2022 mit einer Laufzeit vom 11. Juli 2018 bis zum 10. Juli 2022 unter der ISIN XS1831877755.

##### Emittent

Der Emittent ist Mogo Finance, eine unter luxemburgischem Recht gegründete und bestehende Aktiengesellschaft (*société anonyme*), eingetragen im Handelsregister Luxemburg (*Registre de Commerce et des Sociétés de Luxembourg*) unter der Nummer B.174457 und mit Sitz in 8-10, Avenue de la Gare, L-1610 Luxembourg, Großherzogtum Luxemburg. Seine Telefonnummer ist +352 26 186 526 und seine Faxnummer ist +352 26 84 54 10. Die Rechtsträgerkennung (legal entity identifier — LEI) des Emittenten ist 894500N14T2GUDX0FL66.

##### Zuständige Behörde zur Genehmigung des Prospekts und Datum der Genehmigung

Damit die Neuen Anleihen zum Handel im regulierten Marktsegment der Frankfurter Wertpapierbörse zugelassen werden können, wurde dieser Prospekt am 13. November 2019 von der Luxemburger Kommission für die Beaufsichtigung des Finanzsektors (*Commission de Surveillance du Secteur Financier - "CSSF"*) mit Adresse in 283, route d'Arlon, L-1150 Luxembourg, Großherzogtum Luxemburg, genehmigt. Ihre Telefonnummer ist +352 26 25 1 - 1 (Telefonzentrale), ihre Faxnummer ist +352 26 25 1 - 2601 und ihre E-Mail ist [direction@cssf.lu](mailto:direction@cssf.lu).

#### **Warnungen**

Die folgende Zusammenfassung sollte als Einleitung zu diesem Prospekt gelesen werden.

Anlageentscheidungen für die Anleihen sollten Anleger anhand des gesamten Prospekts treffen.

Der Anleger könnte das investierte Kapital ganz oder teilweise verlieren.

Wenn eine Klage wegen in diesem Prospekt enthaltener Informationen vor einem Gericht eingereicht wird, muss der klagende Anleger im Rahmen der nationalen Gesetzgebung des Mitgliedstaats möglicherweise die Kosten der Übersetzung dieses Prospekts tragen, bevor das Verfahren eingeleitet wird.

Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

### Abschnitt 2 – Emittent

#### ***Wer ist der Emittent der Wertpapiere?***

##### Sitz, Rechtsform, LEI, geltendes Recht

Mogo Finance, eine unter luxemburgischem Recht gegründete und bestehende Aktiengesellschaft, eingetragen im Handelsregister Luxemburg (*Registre de Commerce et des Sociétés de Luxembourg*) unter der Nummer B.174457 und mit Sitz in 8-10, Avenue de la Gare, L-1610 Luxembourg, Großherzogtum Luxemburg ist der Emittent. Seine



Telefonnummer ist +352 26 186 526 und seine Faxnummer ist +352 26 84 54 10. Die Rechtsträgerkennung (legal entity identifiers — LEI) des Emittenten ist 894500N14T2GUDX0FL66. Zum Zeitpunkt dieses Prospekts ist die Muttergesellschaft der Gruppe der Emittent.

#### Hauptgeschäftstätigkeiten

Gemäß Artikel 3 der angepassten Satzung des Emittenten (*statuts coordonnés*) vom 6. Juni 2016, in der Fassung der Gesellschafterbeschlüsse vom 12. Oktober 2018 und der Gesellschafterbeschlüsse vom 29. Oktober 2019, hat der Emittent den Zweck zu investieren, zu erwerben und Beteiligungen und Interessen, in welcher Form auch immer, in Luxemburg oder ausländischen Unternehmen oder Einrichtungen, die einen ähnlichen Zweck wie der Emittent verfolgen, zu übernehmen und durch Beteiligungen, Beiträge, Käufe, Optionen oder auf andere Weise, Wertpapiere, Rechte, Interessen, Patente, Markenzeichen und Lizenzen oder sonstiges Eigentum, das der Emittent für geeignet hält, gegen eine Gegenleistung, die im unternehmerischen Interesse des Emittenten liegt, zu erwerben und dieses im Allgemeinen ganz oder teilweise zu halten, zu verwalten, zu entwickeln, zu belasten, zu veräußern oder darüber zu verfügen.

Der Emittent kann auch finanzielle, kommerzielle oder andere Transaktionen tätigen und jedem Unternehmen oder jeder Einrichtung, die Teil derselben Unternehmensgruppe wie der Emittent ist oder in irgendeiner Weise mit der Emittentin verbunden ist, einschließlich Unternehmen oder Einrichtungen, an denen der Emittent direkt oder indirekt finanzielle oder andere Interessen hat, jegliche Unterstützung, Darlehen, Vorschüsse oder Gewährung von Sicherheiten oder Bürgschaften zugunsten Dritter zur Sicherung ihrer Verpflichtungen gewähren, sowie Geld in irgendeiner Weise leihen und beschaffen und durch irgendwelche Mittel die Rückzahlung von geliehenem Geld sichern.

Schließlich kann der Emittent jede Handlung und jeden Vorgang vornehmen, der in direktem Zusammenhang mit seinem Zweck steht, um die Erfüllung dieses Zwecks zu erleichtern.

Der Emittent und seine Konzernunternehmen (die "**Gruppe**") sind spezialisiert in Gebrauchtwagenfinanzierungen.

#### Hauptanteilseigner des Emittenten

Die folgende Tabelle zeigt die relevanten Anteilseigner des Emittenten zum Zeitpunkt dieses Prospekts:

	<b>Details zu den Anteilseignern</b>	<b>Anzahl der Aktien</b>	<b>%</b>
1	<b>SIA "AK Family Investments"</b>	46.562.492	46,5625%
2	<b>AS Novo Holdings</b>	15.520.836	15,5208%
3	<b>AS Obelo Capital</b>	15.520.836	15,5208%
4	<b>LVS Limited</b>	15.520.836	15,5208%
	<b>Summe</b>	<b>93.125.000</b>	<b>93,125%</b>

Zum Zeitpunkt dieses Prospekts sind die wirtschaftlichen Eigentümer des Emittenten: (i) Aigars Kesenfelds, indirekt 46,5625 % des stimmberechtigten Aktienkapitals des Emittenten haltend; (ii) Alberts Pole, indirekt 15,5208 % des stimmberechtigten Aktienkapitals des Emittenten haltend; (iii) Kristaps Ozols, indirekt 15,5208 % des stimmberechtigten Aktienkapitals des Emittenten haltend; und (iv) Māris Keišs, indirekt 15,5208 % des stimmberechtigten Aktienkapitals des Emittenten haltend. Das verbleibende stimmberechtigte Aktienkapital des Emittenten wird von derzeitigen und ehemaligen Mitarbeitern des Emittenten kontrolliert.

#### Hauptgeschäftsführer

Der Emittent wird derzeit von einem Verwaltungsrat geleitet, der sich aus zwei Direktoren vom Typ A und zwei Direktoren vom Typ B zusammensetzt: Mr. Modestas Sudnius, A Direktor und für einen Zeitraum bestellt, der an der ordentlichen Hauptversammlung des Emittenten endet, die in 2022 stattfindet, Maris Kreics, A Direktor, Delphine Glessinger, B Direktor und Sebastian Koller, B Direktor, alle für einen Zeitraum bestellt, der an der

ordentlichen Hauptversammlung des Emittenten endet, die in 2022 stattfindet.

Abschlussprüfer

Der derzeitige Abschlussprüfer (*réviseur d'entreprises agréé*) des Emittenten ist Ernst & Young, eine unter luxemburgischem Recht gegründete Aktiengesellschaft (*société anonyme*) mit Sitz in 35E, avenue John F. Kennedy, L-1855 Luxemburg, Großherzogtum Luxemburg und im luxemburgischen Handelsregister registriert unter der Nummer B 47771.

**Welches sind die wesentlichen Finanzinformationen über den Emittenten?**

Der Emittent ist die Muttergesellschaft der Gruppe. Die untenstehenden Tabellen enthalten ausgewählte wesentliche konsolidierte Finanzinformationen für die Gruppe (i) für die Geschäftsjahre endend zum 31. Dezember 2018 und 31. Dezember 2017, abgeleitet aus dem geprüften Konzernabschluss des Emittenten für das Geschäftsjahr endend zum 31. Dezember 2018 (einschließlich angepasster Vergleichsfinanzinformationen für das Geschäftsjahr zum 31. Dezember 2017), der in Übereinstimmung mit den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind („IFRS“), erstellt wurde, und (ii) für die Sechsmonatszeiträume endend zum 30. Juni 2019 und 30. Juni 2018, die sich aus den ungeprüften Konzernzwischenfinanzinformationen für den Sechsmonatszeitraum endend zum 30. Juni 2019 ergeben, die auf der Grundlage der anwendbaren Bilanzierungs-, Bewertungs- und Konsolidierungsgrundsätze der IFRS für Zwischenberichterstattung erstellt wurden.

*Ausgewählte Daten aus der Konzern-Gesamtergebnisrechnung des Emittenten (in Millionen EUR)*

EUR	Jan-Dez 2018	Jan-Dez 2017	Jan-Juni 2019	Jan-Juni 2018
Gesamtergebnis für das Jahr/die Periode	4,7	8,5	2,7	2,8

*Ausgewählte Daten aus der Konzernbilanz des Emittenten (in Millionen EUR, mit Ausnahme von Prozentsätzen)*

EUR	31. Dez 2018	31. Dez 2017	30. Juni 2019
Summe Schulden	159,0	101,0	195,9
Summe Eigenkapital und Schulden	174,3	112,5	213,8
Summe Eigenkapital das den Aktionären der Muttergesellschaft zuzurechnen ist	14,8	11,1	17,6

*Ausgewählte Daten aus der Konzern-Kapitalflussrechnung des Emittenten (in Millionen EUR)*

EUR	Jan-Dez 2018	Jan-Dez 2017	Jan-Juni 2019	Jan-Juni 2018
Netto-Zahlungsmittelzu-/abflüsse aus laufender Geschäftstätigkeit	(27,4)	(26,6)	(17,0)	(23,2)
Netto-Zahlungsmittelzu-/abflüsse aus Finanzierungstätigkeit	43,3	30,8	33,2	26,5
Netto-Zahlungsmittelzu-	(14,4)	(1,3)	(17,4)	(5,6)

/abflüsse aus Investitionstätigkeit				
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**Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?**

Beim Kauf der Anleihen übernehmen die Anleger das Risiko, dass der Emittent zahlungsunfähig wird oder anderweitig nicht in der Lage ist, alle fälligen Zahlungen für die Anleihen zu leisten. Es gibt eine Vielzahl von Faktoren, die einzeln oder gemeinsam dazu führen können, dass der Emittent nicht in der Lage ist, alle fälligen Zahlungen zu leisten. Es ist nicht möglich, alle diese Faktoren zu identifizieren oder zu bestimmen, welche Faktoren am ehesten auftreten, da dem Emittenten möglicherweise nicht alle relevanten Faktoren bekannt sind und bestimmte Faktoren, die er derzeit für nicht wesentlich hält, durch das Eintreten von Ereignissen, die außerhalb der Kontrolle des Emittenten liegen, wesentlich werden können. Der Emittent hat eine Reihe von Faktoren identifiziert, die sich erheblich nachteilig auf sein Geschäft und seine Fähigkeit, fällige Zahlungen zu leisten, auswirken könnten. Zu diesen Faktoren gehören:

a. Risiken im Zusammenhang mit der Geschäftstätigkeit und der Branche des Konzerns

Schwierigkeiten bei der Beurteilung des Kreditrisikos von potentiellen Kunden: Trotz der Bonitätsprüfung und der Fahrzeugbewertungsmodelle der Gruppe kann es sein, dass sie nicht in der Lage ist, die aktuelle Finanzlage jedes potenziellen Kunden korrekt zu bewerten und seine Kreditwürdigkeit und/oder den Wert der Sicherheiten zu bestimmen. Die Finanzierungsentscheidungen der Gruppe basieren zum Teil auf Informationen, die ihr von Antragstellern zur Verfügung gestellt wurden. Potentielle Kunden können ihr arglistig fehlerhafte Informationen zur Verfügung stellen, auf deren Grundlage die Gruppe, wenn nicht auf den Betrug aufmerksam gemacht, ihre Bonitätsprüfung vornimmt. Jede nicht korrekte Einschätzung des Kreditrisikos potenzieller Kunden, durch fehlerhafte Bewertung des Kunden durch die Gruppe oder infolge falscher Informationen, die vom Kunden arglistig zur Verfügung gestellt wurden, kann einen wesentlich nachteiligen Einfluss auf die Geschäftstätigkeit, die Finanzlage, das Betriebsergebnis, die Aussichten oder den Cashflow der Gruppe haben und kann sogar regulatorische Sanktionen nach sich ziehen (einschließlich der Verhängung von Geldbußen und Strafen, der Einstellung des Betriebs oder des Widerrufs unserer Lizenzen).

Das Risiko eines Kontrahentenausfalls: Wir sind dem Risiko ausgesetzt, dass unsere Kunden oder sonstige vertragliche Gegenparteien ausfallen können oder dass die Kreditqualität unserer Kunden oder sonstiger vertraglicher Gegenparteien schlechter werden kann. Infolgedessen könnten unsere Betriebsergebnisse negativ beeinflusst werden.

Ein Rückgang der Restwerte oder der Verkaufserlöse zurückgegebener Fahrzeuge: Ein Rückgang der Restwerte oder der Verkaufserlöse zurückgegebener Fahrzeuge könnte sich auf den Wert der Sicherheiten unseres Finanzierungsleasings und des Sale-and-Lease-Back sehr negativ auswirken.

Fremdwährungsrisiken: Die Gruppe ist in verschiedenen Ländern tätig und bietet Kreditprodukte in lokalen Währungen, einschließlich des Euro, des bulgarischen Lew, des georgischen Lari, des polnischen Zloty, des rumänischen Leu, des moldawischen Leu, des albanischen Lek, des armenischen Dram und des weißrussischen Rubels an. Daher sind ihre Betriebsergebnisse Wechselkursschwankungen ausgesetzt, und jedes Versäumnis, das Wechselkursrisiko zu managen, kann einen wesentlichen negativen Einfluss auf die Geschäftstätigkeit, die Finanzlage, das Betriebsergebnis, die Aussichten oder den Cashflows haben.

b. Risiken im Zusammenhang mit der finanziellen Situation des Konzerns

Veränderungen der Betriebskapitalanforderungen: Unsere Betriebskapitalanforderungen können von Markt zu Markt stark variieren, abhängig zum Teil von der unterschiedlichen Nachfrage nach Gebrauchtwagenfinanzierungen. Wenn unsere verfügbaren operativen Cashflows nicht ausreichen, um unseren laufenden Finanzbedarf zu decken, müssten wir auf unsere Kassenbestände und verfügbaren Kreditlinien sowie potenzielle zusätzliche Kapitalquellen zurückgreifen, um diesen Bedarf zu decken.

Niedrige Kapitalisierungsquote: Wir sind derzeit in hohem Maße fremdfinanziert. Unsere

Aktionäre haben sich bereit erklärt, weiteres Kapital zur Verfügung zu stellen, um unser Kapitalisierungsquote auszugleichen, aber eine solche Bestimmung setzt voraus, dass die Aktionäre in der Lage sind, ihrer Verpflichtung nachzukommen. Es ist möglich, dass wir in der Zukunft nicht in der Lage sind, zusätzliche Mittel zu beschaffen, um einen weiteren erheblichen Verschuldungsgrad auszugleichen, der erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit, unsere Finanz- und Ertragslage, unsere Aussichten oder Cashflows und die Fähigkeit, die Verpflichtungen aus den Anleihen zu erfüllen, haben könnte.

Liquiditätsrisiken: Die Gruppe ist Liquiditätsrisiken ausgesetzt, die sich aus den Ungleichgewichten zwischen den Fälligkeiten ihrer Vermögenswerte und Schulden ergeben und sie daran hindern können, ihren Verpflichtungen rechtzeitig nachzukommen. Wenn keine kurz- und insbesondere langfristige Finanzierung an den internationalen Kapitalmärkten zur Verfügung steht oder wenn Fälligkeitsinkongruenzen zwischen Vermögenswerten und Verbindlichkeiten auftreten, kann dies einen wesentlichen negativen Einfluss auf die Geschäftstätigkeit, die Finanzlage, das Betriebsergebnis, die Aussichten oder den Cashflows haben.

c. Rechtliche und regulatorische Risiken

Bestimmte Länder, in denen der Konzern tätig ist, bergen das Risiko von Korruptionsverletzungen. Die Nichteinhaltung von Antikorruptionsgesetzen, einschließlich Anti-Bestechungsgesetzen, kann zu Strafen und Sanktionen führen, die einen wesentlichen negativen Einfluss auf unseren Ruf und unser Geschäft haben können.

d. Internes Kontrollrisiko

Die Interessen unserer wirtschaftlichen Eigentümer können mit denen der Inhaber in Konflikt geraten: Die Gruppe wird letztlich von mehreren Personen kontrolliert. Die Interessen der wirtschaftlichen Eigentümer können unter bestimmten Umständen mit den Interessen der Inhaber in Konflikt geraten, insbesondere wenn die Gruppe in finanzielle Schwierigkeiten gerät oder wenn wir nicht in der Lage sind, unsere Schulden bei Fälligkeit zu begleichen. Die wirtschaftlichen Eigentümer könnten auch ein Interesse an der Durchführung von Finanzierungen oder anderen Transaktionen haben, die nach Ihrer Einschätzung ihre Kapitalbeteiligung verbessern könnten, obwohl solche Transaktionen die Verschuldung der Gruppe erhöhen, von der Gruppe den Verkauf von Vermögenswerten verlangen oder anderweitig unsere Fähigkeit, Zahlungen im Rahmen der Anleihe zu leisten, beeinträchtigen könnten. Jeder potenzielle Interessenkonflikt zwischen dem indirekten Mehrheitsaktionär oder den wirtschaftlichen Eigentümern einerseits und den Inhabern andererseits kann einen wesentlichen negativen Einfluss auf den Wert der Anleihen haben.

### **Abschnitt 3 – Wertpapiere**

#### ***Welches sind die wichtigsten Merkmale der Wertpapiere?***

Art, Gattung und ISIN der Wertpapiere

9.50% Anleihen mit Fälligkeit am 10. Juli 2022 im Gesamtnennwert von EUR 25.000.000,00 (die „**Neuen Anleihen**“) werden konsolidiert und bilden ab dem Ausgabedatum eine einzelne Serie mit den bestehenden EUR 75.000.000,00 9,50 % Anleihen mit Fälligkeit 2018/2022 (die „**Bestehenden Anleihen**“, zusammen mit den Neuen Anleihen, die „**Anleihen**“), zu zahlen an den Inhaber, mit der ISIN XS1831877755.

Anzahl der Neuen Anleihen, Währung, Stückelung und Laufzeit

25.000 Neue Anleihen in der Stückelung von je EUR 1.000,00 jeweils mit einer Laufzeit vom 11. Juli 2018 bis zum 10. Juli 2022.

Mit den Wertpapieren verbundene Rechte

Die Neuen Anleihen werden vom (und einschließlich) 10. Juli 2019 bis zum 10. Juli 2022 zu einem Satz von 9,50 Prozent p.a. verzinst. Die Zinsen sind halbjährlich nachträglich am 10. Januar und 10. Juli eines jeden Jahres, beginnend am 10. Januar 2020, zu zahlen. Der Zinssatz für die Anleihe ist auf 9,50 Prozent pro Jahr festgelegt.

Die Anleihen werden von den Garantiegebern (siehe unten) unbedingt und unwiderruflich garantiert und sind darüber hinaus durch lokalrechtliche Transaktionssicherheiten gesichert,

die von den folgenden direkten und indirekten Tochtergesellschaften des Emittenten (die „**Pfandgeber**“) erteilt werden: AS “mogo” (*Latvia*), mogo OÜ (*Estonia*), UAB “mogo LT” (*Lithuania*), Mogo LLC (*Georgia*), Mogo IFN SA (*Romania*), Mogo Bulgaria OOD (*Bulgaria*), O.C.N. “MOGO LOANS” SRL (*Moldova*), MOGO Universal Credit Organization LLC (*Armenia*) und OOO “Mogo Credit” (*Belarus*).

Greenmarck Restructuring Solutions GmbH, gegründet 2010 und beim Amtsgericht München eingetragen, HRB 187052, mit Adresse in Widenmayerstraße 16, 80538 München, Deutschland, oder jeder etwaige spätere Vertreter der Anleihegläubiger, der von Zeit zu Zeit gemäß den Bedingungen der Anleihe (die „**Bedingungen**“) bestellt wird, ist Vertreter und Sicherheitentreuhänder der Inhaber. Kein Inhaber kann in Übereinstimmung mit den Bedingungen Einzelmaßnahmen gegen den Emittenten im Zusammenhang mit den Neuen Anleihen ergreifen.

#### Status und relativer Rang der Neuen Anleihen

Die Neuen Anleihen unterliegen luxemburgischem Recht und stellen nach den in Luxemburg geltenden Gesetzen Inhaberpapiere dar. Die Neuen Anleihen stellen direkte, allgemeine, unbedingte, nicht nachrangige und besicherte Verbindlichkeiten des Emittenten dar und sind jederzeit gleichrangig mit allen anderen gegenwärtigen und zukünftigen gesicherten Verbindlichkeiten des Emittenten und vorrangig gegenüber allen bestehenden und zukünftigen nachrangigen Anleihen.

#### Handelbarkeit der Neuen Anleihen

Die Neuen Anleihen sind frei übertragbar aber die Inhaber können in Bezug auf die Neuen Anleihen Kauf- oder Übertragungsbeschränkungen unterliegen, wie sie von Zeit zu Zeit nach den lokalen Gesetzen gelten, denen ein Inhaber unterliegen kann.

#### **Wo werden die Wertpapiere gehandelt?**

Die Neuen Anleihen im Gesamtnennbetrag von EUR 25.000.000,00 in der Stückelung von jeweils EUR 1.000,00, sind und werden zum Handel am Frankfurter regulierten Markt zugelassen, diese werden konsolidiert und bilden ab dem Ausgabedatum eine einzelne Serie mit den Bestehenden Anleihen. Die Bestehenden Anleihen wurden ohne Zustimmung des Emittenten zum Handel im Euro MTF der Luxemburger Börse zugelassen.

#### **Wird für die Wertpapiere eine Garantie gestellt?**

##### Art und Umfang der Garantie

Die Garantiegeber haben eine unbedingte und unwiderrufliche Garantie für die fällige und fristgerechte Zahlung von Kapital, Zinsen und sonstigen Beträgen gegeben, die der Emittent im Rahmen der Anleihen zu zahlen hat.

##### Beschreibung des Garantiegebers

Die nachfolgend aufgeführten Unternehmen sind die Garantiegeber, die direkte oder indirekte Tochtergesellschaften des Emittenten und Teil der Gruppe sind.

	<b>Name und Land</b>	<b>LEI</b>	<b>Adresse</b>	<b>Tätigkeit</b>
1.	AS “mogo” ( <i>Latvia</i> )	213800DOKX626GYVOI32	Skanstes street 50, LV-1013 Riga, Latvia	Fahrzeug-Leasing- Dienstleistungen und Konsumentenkredite
2.	mogo OÜ ( <i>Estonia</i> )	894500O6EC87XECNSH80	Pärnu mnt 148, Tallinn, 11317, Harjuumaa, Estonia	Fahrzeug-Leasing- Dienstleistungen
3.	UAB “mogo LT” ( <i>Lithuania</i> )	39120022FMEDWPAHAI87	Vilniaus m. sav. Vilniaus m. Perkūnkiemio g. 6, Lithuania	Fahrzeug-Leasing- Dienstleistungen und Verbraucherdienste
4.	Mogo LLC ( <i>Georgia</i> )	894500O761Z24B022906	42a Al. Kazbegi Street, Vake- Saburtalo District, 0160, Tbilisi,	Fahrzeug-Leasing- Dienstleistungen

Georgia				
5.	Mogo sp. z.o.o. (Poland)	894500QW0MCYNLK4MP9 0	ul. Chocimska, nr 35, lok. 26, miejsc. Warszaw, kod 00- 791, poczta, Warsaw, Poland	Fahrzeug-Leasing- Dienstleistungen
6.	Mogo IFN SA (Romania)	894500QW65WQAKW0A93 7	Calea Victoriei Avenue, number 155, flat D1, section 6, floor 4, Bucarest, Romania	Fahrzeug-Leasing- Dienstleistungen
7.	Mogo Bulgaria OOD (Bulgaria)	894500QVV2T70M88Z576	16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria	Fahrzeug-Leasing- Dienstleistungen
8.	O.C.N. "MOGO LOANS" SRL (Moldova)	894500VY0OPZ52J91R45	MD-2060, Cuza- Voda 20/A, Chisinau, Moldova	Fahrzeug-Leasing- Dienstleistungen
9.	Mogo Albania SH.A. (Albania)	894500VXV567I37DE796	Rruga "Abdulla Keta", Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirane, Albania	Fahrzeug-Leasing- Dienstleistungen
10.	OOO "Mogo Credit" (Belarus)	894500VXPLMFV3VHQN64	Petra Mstislavtsa street 24, office No. 172, 220114, Minsk, Belarus	Fahrzeug-Leasing- Dienstleistungen
11.	AS Mogo Eastern Europe (Latvia) (previously "SIA HUB 3")	894500VXK22O84JM3317	Skanstes iela 50, Riga, LV-1013, Latvia	Holdinggesellschaft
12.	Risk Management Service OÜ (Estonia)	391200X1CXGYIJ56QT25	Pärnu mnt 148, Tallinn, 11317, Harjuumaa, Estonia	Schuldeneintreibung sdienst für die Gruppe
13.	MOGO Universal Credit Organization LLC (Armenia)	8945000Q63TANX0C5R15	18/2, Vardanants Street, Offices 4,5,6, 0010 Yerevan, Armenia	Fahrzeug-Leasing- Dienstleistungen
14.	"MOGO UKRAINE" LLC (Ukraine)	894500V4RIE3ULU6Q723	Marshall Rybalka street, house 11b, office 8, Kyiv, 04116, Ukraine	Fahrzeug-Leasing- Dienstleistungen
15.	AS Mogo Baltics and Caucasus (Latvia) (previously "AS HUB 1")	8945000QMQGLKUZZ4F62	Skanstes iela 50, Rīga, LV-1013, Latvia	Holdinggesellschaft
16.	AS HUB 2 (Latvia)	8945000QH6WTXVO3GV1 4	Skanstes iela 50, Rīga, LV-1013, Latvia	Holdinggesellschaft
17.	AS Mogo Central Asia (previously AS HUB 4) (Latvia)	8945000QBND2AWC7TB73	Skanstes iela 50, Rīga, LV-1013, Latvia	Holdinggesellschaft

18.	AS Longo Group (Latvia)	894500SNGNS9HL2FSI45	Skanstes iela 50, Rīga, LV-1013, Latvia	Holdingsgesellschaft, Verkauf von Autos und leichten Kraftfahrzeugen
19.	AS Longo Latvia (Latvia)	894500SNM7C14KEBG250	Skanstes iela 50, Rīga, LV-1013, Latvia	Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
20.	UAB Longo LT (Lithuania)	894500SNRQVSRJQ73M79	Perkūnkiemio St 13-91, Vilnius, the Republic of Lithuania	Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
21.	Longo Estonia OU (Estonia)	894500SNXAFKEJ22R622	Harju maakond, Tallinn, Kesklinna linnaosa, Parnu mnt 22, 10141, Republic of Estonia	Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
22.	Longo Netherlands B.V. (Netherlands)	894500SO2TZC1IDYEQ18	Winthontlaan 200, 3526KV Utrecht, the Netherlands	Verkauf von anderen Kraftfahrzeugen
23.	Longo Georgia LLC (Georgia)	894500SMUHL6XNQX6A11	David Agmashenebeli ave 129a-4, Didube- Chugureti district, Tbilisi, Georgia	Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
24.	Longo LLC (Armenia)	894500SN014YKN2STU65	RA, Yerevan city, Tumanyan street, b.10, apt.19, Armenia	Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
25.	Leasing Company MOGO DOOEL Skopje (North Macedonia)	894500SN5KOQ7MEOHE7 8	Str. Anton Popov, no.1/2 mezanin- local 3, 1000 Skopje, North Macedonia	Finanzierungsleasin g und Kreditvergabe
26.	AS Renti (Latvia)	894500SMOY1FAOF1IQ54	50 Skanstes Street, Riga, LV-1013, Latvia	Vermietung und Leasing von Autos und leichten Kraftfahrzeugen, Vermietung und Leasing von Lastkraftwagen, Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
27.	UAB Mogo Eastern Europe LT (previously "UAB HUB 3 LT") (Lithuania)	894500SNB48HULQK4Y41	Ukmergės g. 322-1, Vilniaus, Lithuania	Managementtätigkeit en

28.	AS Mogo Africa (Latvia)	894500SOJGMMYGDLE0 3	50 Skanstes Street, Riga, LV-1013, Latvia	Holdinggesellschaft, sonstige Finanzdienstleistung en mit Ausnahme von Versicherungen und Pensionsfonds
29.	UAB Mogo Africa (Lithuania) (previously "UAB HUB 5 LT")	894500SOP06ELFPH0Y21	Vilniaus m. sav. Vilniaus m. A. Vivulskio g. 7, LT- 03162, Vilnius	Holdinggesellschaft, sonstige Finanzdienstleistung en mit Ausnahme von Versicherungen und Pensionsfonds
30.	Mogo Loans - SMC Limited (Uganda)	894500SOUJQ68F1COI39	Plot 1, Kololo Hill Drive, P.O. Box 2255, Kampala, Uganda	Finanzierungsleasing und Kreditvergabe
31.	Mogo Kenya Limited (Kenya)	894500SP039XVED8C268	Ngong road, Prestige Mall, LR No.209/410/2/4 & 5, Nairobi, Kenya and P.O Box 29107, G.P.O Nairobi	Finanzierungsleasing und Kreditvergabe
32.	TOO Mogo Kazakhstan (Kazakhstan)	894500SODX2VBH1PPU69	Al-Farabi avenue, 77/2, 11B, Almaty, Republic of Kazakhstan	Finanzierungsleasing und Kreditvergabe
33.	OOO Mogo Lend (Uzbekistan)	894500SO8DJ3OHPU2A10	4 Afrosiyab street, Mirabad district, Tashkent, 100031, Republic of Uzbekistan	Finanzierungsleasing und Kreditvergabe
34.	Longo Belgium BVBA (Belgium)	894500SP5MTPIDP3ZM60	Hendrik van Veldekesingel 150/116, 3500 Hasselt, Belgium	Kauf und Verkauf von Autos und leichten Kraftfahrzeugen, Verkauf von anderen Kraftfahrzeugen
35.	Maxxus GMBH (Germany)	894500SPB6DH5D0ZN688	Dennewartstr. 25- 27, D-52068 Aachen, Germany	Vermietung und Leasing von Kraftfahrzeugen, Lastkraftwagen, Lieferwagen, Fahrzeuge und Ausrüstungen aller Art für gewerbliche oder private Zwecke

#### Wesentliche Finanzinformationen in Bezug auf die Garantiegeber

Die untenstehenden Tabellen enthalten ausgewählte wesentliche konsolidierte Finanzinformationen für AS "mogo" für die Geschäftsjahre endend zum 31. Dezember 2017 und 31. Dezember 2018. Diese Informationen wurden aus AS "mogo"s geprüftem Konzernabschluss für das Geschäftsjahr endend zum 31. Dezember 2018 (einschließlich angepasster Vergleichsfinanzinformationen für das Geschäftsjahr endend zum 31. Dezember 2017) entnommen. Diese Konzernabschlüsse von AS "mogo" wurden gemäß IFRS erstellt.

*Ausgewählte Daten aus der Konzern-Gesamtergebnisrechnung von AS "mogo" (in Millionen EUR)*

EUR	Jan- Dez 2018	Jan- Dez 2017	Jan- Juni 2019	Jan- Juni 2018
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Gesamtergebnis für das Jahr/die Periode	2,8	3,6	3,1	0,5
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*Ausgewählte Daten aus der Konzernbilanz von AS "mogo" (in Millionen EUR)*

EUR	31. Dez 2018	31. Dez 2017	30. Juni 2019
Summe Schulden	45,8	44,5	48,8
Summe Eigenkapital und Schulden	52,6	54,3	59,3

*Ausgewählte Daten aus der Konzern-Kapitalflussrechnung von AS "mogo" (in Millionen EUR)*

EUR	Jan-Dez 2018	Jan- Dez 2017	Jan-Juni 2019	Jan-Juni 2018
Netto-Zahlungsmittelzu-/abflüsse aus laufender Geschäftstätigkeit	-	(4,3)	13,3	(2,0)
Netto-Zahlungsmittelzu-/abflüsse aus Finanzierungstätigkeit	0,1	23,1	1,4	9,2

Für den Garantiegeber spezifische wesentlichste Risikofaktoren

Der Emittent und die Garantiegeber sind im Wesentlichen von den gleichen Risiken betroffen wie die, die sich auf die Geschäftstätigkeit und den Betrieb der gesamten Gruppe auswirken. Zu den wichtigsten konzernspezifischen Risiken siehe Abschnitt 2 oben „Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?“.

***Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?***

a. Risiko im Zusammenhang mit der Art der Anleihen

Unfähigkeit des Konzerns, ausreichend liquide Mittel zu generieren: Die Gruppe ist möglicherweise nicht in der Lage, ein Niveau des Cashflows aus der betrieblichen Tätigkeit aufrechtzuerhalten, das es ihr ermöglicht, den Kapitalbetrag, die Prämie, falls vorhanden, sowie Zinsen und zusätzliche Beträge, falls vorhanden, auf ihre Verschuldung zu zahlen, einschließlich der Kreditaufnahmen im Rahmen der angebotenen Anleihen.

Unfähigkeit die Anleihen bei Fälligkeit zurückzuzahlen oder zurückzukaufen: Bei Fälligkeit wird der gesamte Kapitalbetrag der Anleihe sowie aufgelaufene und unbezahlte Zinsen fällig und zahlbar. Die Gruppe ist möglicherweise nicht in der Lage, diese Verpflichtungen zurückzuzahlen oder zu refinanzieren.

#### **Abschnitt 4 – Angebot und Zulassung zum Handel**

**Weshalb wird dieser Prospekt erstellt?**

Die Neuen Anleihen sind Teil der Fremdfinanzierung des Emittenten am Kapitalmarkt und dieser Prospekt wurde zur Zulassung der Neuen Anleihen zum Handel im regulierten Marktsegment der Frankfurter Wertpapierbörse nach den Allgemeinen Geschäftsbedingungen erstellt, und es gibt kein Angebot zum Erwerb neuer Anleihen. Der Emittent beabsichtigt, den Nettoerlös aus der Ausgabe der neuen Anleihe, der auf EUR 24 Mio. geschätzt wird, zu verwenden, um einen Teil der derzeitigen Schulden der Unternehmen der Gruppe zu refinanzieren, die über die Marktplatz-Kreditplattform Mintos aufgenommen wurden und zum 30. Juni 2019 einen Betrag von EUR 73,8 Mio. aufweisen.

Die Ausgabe der neuen Anleihe unterliegt keiner Zeichnungsvereinbarung. Es bestehen keine wesentlichen Interessenkonflikte im Zusammenhang mit der Zulassung der Neuen

Anleihen zum Handel im regulierten Marktsegment der Frankfurter Wertpapierbörse.

### III. 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 each of the Issuer's ability to fulfil its obligations under the Bonds and, as applicable, the Guarantors' ability to fulfil their 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 material adverse impact on the Group's business activities, financial conditions and result of operations. Additional risks, of which the Issuer is not presently aware, could also affect the business operations of the Group and have a material adverse effect on 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.*

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

#### **1. RISK FACTORS RELATING TO THE ISSUER, 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 Guarantors are direct or indirect subsidiaries of the Issuer and part of the Group. Accordingly, the Issuer and the Guarantors are 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 all Guarantors (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. 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.

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.

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.

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.

***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***

As a lessor under leasing 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, including, government policies and regulatory reform (e.g. implementation of EU emission standards). For example, a decline in the residual value of used vehicles was evident during the global financial and economic crisis as a result of incentive programs offered by governments (e.g. scrapping premium) and automobile manufacturers to promote new vehicle sales. New policy initiatives and regulatory changes may also be implemented in the future in response to a renewed deterioration of the macroeconomic environment. 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 behavior and refrain from buying Diesel vehicles, the potential of introducing these bans could have a negative impact on the corresponding market prices

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.

Uncertainties may also exist with respect to the internal methods for calculating residual values. 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 misjudgments 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.

***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 and the Belorussian Ruble. Thus, our results of operations are exposed to foreign exchange rate fluctuations. As of 31 December 2018, 42% (as of 30 June 2019, 52%) of our net loans and advances due from customers were denominated in non-Euro 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.

### ***Substantial change in the underwriting standards***

Further credit risks could arise if our management decide on a more aggressive 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 with the setting of higher acceptance thresholds. This could lead to the situation that our total credit risk increases, but the planned income from the additional business does not compensate the additional risk related costs. As a consequence our operational results could be adversely affected.

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 by our IT strategy 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, and more recently, the European sovereign debt 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 favorable 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.

***We operate in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful***

We operate in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- increase the number and total volume of loans;
- improve the terms on which we provide loans to our customers as our business becomes more efficient;
- increase the effectiveness of our direct marketing;
- increase partnership and brokerage network;
- successfully develop and deploy new products;
- favorably compete with other companies that are currently in, or may in the future enter, the business of used car financing;
- successfully navigate economic conditions and fluctuations in credit markets;
- effectively manage the growth of our business; and
- successfully expand our business into new markets.

We may not be able to successfully address these risks and difficulties, which could 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 our operations may contribute to increased costs***

We currently operate in 17 jurisdictions and, as part of our business strategy, we aim to continue pursuing attractive business opportunities in new jurisdictions. Although we analyze and carefully plan our international expansion and strictly control our investments, such expansion increases the complexity of our 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 our business. Any unforeseen changes or mistakes in planning or controlling our operations in these respects may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

***The introduction of our new products and services may not be successful***

As part of our business strategy, we may develop and introduce products and services that complement our current lending proposition. For example, in October 2017 and December 2017, we launched our new product, Installment loan, in Latvia and Lithuania, respectively and at the end of 2018 we launched used car long term rent services with AS "Renti". However, we cannot guarantee these pilot products will be developed into permanent product offerings or that we will launch any other new products. We can also offer no assurance that any products or services that we introduce will be successful once they are offered to our current or future customers. We may not be able to adequately anticipate our target customers' needs or desires, which could change over time rendering certain of our products and services obsolete. We may face difficulties in making these products and services profitable and may incur significant costs in connection with such products. Moreover, our introduction of additional financial products or services could subject us to additional regulation or regulatory oversight by governmental authorities. Any of these factors 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 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.

***A decrease in demand for our financial products and failure by us to adapt to such decrease could result in a loss of revenues***

Any decrease in demand for our products could have a significant impact on our revenue. A variety of factors could influence demand for our products, such as increased availability or attractiveness of competing financial products, changes in consumer sentiment and spending or borrowing patterns, regulatory restrictions that inhibit customer access to particular financial services, and changes in the financial condition of our customers that cause them to seek financing from other lending institutions or, alternatively, to exit the lending market entirely. Should we fail to adapt to a significant change in customer demand for, or access to, our products and services, our revenues could decrease significantly and our on-going business operations could be adversely affected. Even if we do adapt our existing products or introduce new products to meet changing customer demand, customers may resist or reject such products. The effect of any product diversification or change on the results of our business may not be fully ascertainable until the change has been in effect for some time. All of these factors may 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.

***We may be unable to protect our proprietary technology or keep up with that of our competitors and we may become subject to intellectual property disputes, which are costly to defend and could harm our business and operating results***

The success of our online and mobile lending channels depends to a significant degree upon the protection of our software and other proprietary intellectual property rights. We may be unable to deter misappropriation or other unauthorized use of our proprietary information or take appropriate steps to enforce our intellectual property

rights. In addition, competitors could, without violating our proprietary rights, develop technologies that are as good as or better than our technology. Failure to protect our software and other proprietary intellectual property rights or to develop technologies that are as good as our competitors' could put us at a competitive disadvantage. Any such failures may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may face in the future, allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors. Patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes. Such events 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.

***Our success is dependent upon our management and employees and our ability to attract and retain qualified employees***

Our success depends on our management and employees who possess highly specialized knowledge and experience in IT and the development of used car financing. Many members of our senior management team possess significant experience in the lending industry and knowledge of the regulatory and legal environments in the markets in which we operate, and we believe that our senior management would be difficult to replace. The market for qualified individuals is highly competitive and labor costs for the hiring and training of new employees are increasing. Accordingly, we may not be able to attract and/or retain qualified managers or IT specialists, which 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.

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 we fail to geographically diversify and expand our operations and customer base, our business may be adversely affected***

Several countries in which we operate generate a significant share of our revenues. As a result, we are exposed to country-specific risks with respect to such national markets. In such markets, a dissatisfaction with our products, a revocation of our operating license, a decrease in customer demand, a failure to successfully market our new and existing products or the failure to further expand our customer base and retain our existing customer base may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. While we continue to seek opportunities to expand our operations into new markets, there can be no guarantee that such efforts of diversification will be successful. Failure to geographically diversify and expand our operations and customer base could have a material adverse effect on our 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. Local regulators may have divergent interpretations as to the classification of our services provided online, which may result in the reclassification of our services into services requiring a separate license. 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 financial situation***

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

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.

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

If our capital resources are insufficient to meet our capital requirements, we will have to raise additional funds. We may not be able to raise sufficient additional funds on terms that are favorable to us, if at all. If we fail to raise sufficient funds, our ability to fund our operations, take advantage of strategic opportunities or otherwise respond to competitive pressures could be significantly limited, which may have a material adverse effect on our 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 fulfill 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 favorable 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.

### ***Low Capitalization Ratio***

We are currently highly leveraged. Our shareholders have agreed to provide further capital to rebalance our capitalization ratio, but any such provision is subject to the shareholders being able to meet their commitment. 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.

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.

### ***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

### ***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 Issuer. 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 Issuer 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: Medium.

***Financial information of the Guarantors.***

Given that:

- the Issuer is the holding company of the Group;
- the material operations of the Group are performed within the various Guarantors;
- the EBITDA generated by the Guarantors amounts to 128 per cent of the total EBITDA of the Group in the last financial year;
- the additional information gained from individual historical financial information of the individual Guarantors are of minor importance and do not as such influence the assessment of the financial position and prospects of the Guarantors;
- the vast majority of the revenue of the Group is generated by the Guarantors;
- the individual financial information of the Issuer or each Guarantor would, taken as a whole, not grant any significant additional information for investors.

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

Risk rating: Low.

***c. Legal and regulatory risk***

***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 anti-corruption and anti-bribery laws applicable in the countries where we operate, 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.

Certain countries where we operate pose risks of corruption violations. According to the 2018 Transparency International Corruption Perceptions Index, which evaluates data on corruption in countries throughout the world by ranking countries from 1 (least corrupt) to 180 (most corrupt), key markets for the Group in terms of assets, growth and profitability like Armenia, Bulgaria and Moldova were ranked 105, 77 and 117 respectively.

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 result in penalties and sanctions, which may have a material adverse effect on our reputation, 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 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 fulfill 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 recoverable and could cause damage to our brand and our valued customer relationships.

Risk rating: Low.

***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.

Failure to implement the requirements of data protection regulation in various jurisdictions, in particular the requirement of the Regulation (EU) 2016/679 (the “**GDPR**”), could result in severe damage claims from affected individuals and massive fines from supervisory authorities. Breaches of GDPR can at worst result in the imposition of a fine of up to 4% of the Group’s revenue.

Although we are currently implementing procedures to address the GDPR requirements in all countries of operation where GDPR applies, and we continuously educate our employees on applicable laws and regulations in relation to privacy, data protection and other relevant matters, 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 part of the jurisdictions in which we do business. We have put in place local anti-money laundering policies and procedures, which we apply in all of our countries of operation. However, our compliance with the anti-money laundering requirements of local laws may not prevent all possible breaches. The relatively small amounts invested by our customers make our business less attractive for money laundering activities at a large scale and therefore we consider the money laundering risk inherent to the Group is very low. 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.

***We may be adversely affected by contractual claims, complaints, litigation and negative publicity***

We may be adversely affected by contractual claims, complaints and litigation, resulting from relationships with counterparties, customers, competitors or regulatory authorities, as well as by any adverse publicity that we may attract. Any such litigation, complaints, contractual claims, or adverse publicity may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Defense of any lawsuit, even if successful, could require substantial time and attention of our management and could require the expenditure of significant amounts for legal fees and other related costs. We are also subject to regulatory proceedings, and we could suffer losses from the interpretation of applicable laws, rules and regulations in regulatory proceedings, including regulatory proceedings in which we are not a party. Any of these events could 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 Group – Beneficial ownership*). 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 TRANSACTION SECURITIES, THE GUARANTEES AND THE SECURITY AGENT AGREEMENT

### 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 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 Guarantees and the Issuer and the Guarantors are 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 Guarantors are incorporated or organized may not be as favorable 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 Guarantees 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, any of the Guarantors or any other of our subsidiaries experience 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 Luxembourg, a COMI (See “*Limitations on Validity and Enforceability of the Guarantees and the Bonds and Certain Insolvency Considerations.*”) may be found to exist outside Luxembourg, 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 Guarantees 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.

***The credit rating assigned to the Bonds may not reflect all risks of your investment in the Bonds***

The credit rating assigned to the Bonds by Fitch is limited in scope and does not address all material risks relating to an investment in the Bonds but rather reflects only the view of the rating agency at the time the rating is issued. The credit rating agency also evaluate our industry and may change its credit rating for us based on its overall view of our industry. There can be no assurance that the credit ratings assigned to the Bonds 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. Credit ratings are not a recommendation to buy, sell or hold any security. Each agency’s rating should be evaluated independently of any other agency’s rating, if any. 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: 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 coupon 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 call option 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 Issuer 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 Issuer'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*" and "*Information about the Group and the Guarantors*". The Issuer 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 Issuer'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 Issuer 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 Issuer to make payments in respect of their 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.

Risk rating: Low.

***The Bonds will be structurally subordinated to all indebtedness of those of our existing or future subsidiaries that are not, or do not become, Guarantors of the Bonds***

The Bonds are initially guaranteed only by some of the Issuer's subsidiaries. Claims of holders of the Bonds will be structurally subordinated to all indebtedness and the claims of creditors of any non-guarantor subsidiaries, including trade creditors. All indebtedness and obligations of any non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution upon liquidation or otherwise to us or to a Guarantor 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, 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. More than 40 jurisdictions, including Luxembourg, have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). 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*)). As a result, the Issuer 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 to enable it to satisfy its identification obligations under the Luxembourg 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. 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 Transaction Securities, the Guarantees and the Security Agent Agreement***

***The Transaction Securities and the Guarantees may not be sufficient to cover all the Secured Obligations and the enforcement of the security may be delayed or the security may not be enforceable at all.***

There is no assurance that the Transaction Securities and the Guarantees, benefiting the holders of the Bonds, will be sufficient to cover all the Secured 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 secured creditors except for certain liabilities owed to the Security Agent and certain enforcement costs of the secured creditors, which have priority to the enforcement proceeds of the Transaction Securities and Guarantees. The Issuer cannot assure that the proceeds of any enforcement of the Transaction Securities would be sufficient to satisfy all amounts then owed to the Holders. In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner. For more information on the Security Agent Agreement, please see “*Additional Information on the Guarantees, the Transaction Securities and the Security Agent Agreement*”.

Risk rating: Medium.

***Enforcement of the Guarantees across multiple jurisdictions may be difficult***

The Bonds will be guaranteed by the initial and any additional Guarantors, which are organized or incorporated under the laws of multiple jurisdictions. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of holders of the Bonds under the Guarantees will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organization of the Issuer or the Guarantors may be materially different from, or in conflict with, one another, including creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Bonds and the Guarantees.

Risk rating: Medium.

***There are risks related to the Security Agent Agreement.***

The holders of the Bonds and the other secured creditors are represented by the Security Agent in all matters relating to the Transaction Securities. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Securities.

Subject to the terms of the Security Agent Agreement, the Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Transaction Securities or for the purpose of settling, among others, the holders of the Bonds rights to the security. Although there is a limitation that such actions shall not be taken if the Security Agent deems the action to be detrimental to the interests of the holders of the Bonds, it cannot be guaranteed that actions would not be taken that may be considered to be detrimental in the view of some or all of the holders of the Bonds.

Risk rating: Medium.

***The Transaction Securities and the Guarantees 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 Transaction Securities and the Guarantees provide the Security Agent, acting for the benefit of the holders of the Bonds, with a claim against the relevant Security Provider. However, the Transaction Securities and the Guarantees will be limited to the maximum amount that can be guaranteed by the relevant Security Provider without rendering the relevant Transaction Securities and Guarantee voidable or otherwise ineffective under applicable law, and enforcement of each Transaction Securities and Guarantee would be subject to certain generally available defenses. See “*Limitations on Validity and Enforceability of the Guarantees and the Bonds and Certain Insolvency Considerations.*”

Enforcement of any of the Transaction Securities and the Guarantees against any Security Provider will be subject to certain defenses available to Security Providers in the relevant jurisdiction. Although laws differ among these jurisdictions, 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, a Security Provider may have no liability or decreased liability under its Transaction Securities and Guarantee depending on the amounts of its other obligations and applicable law.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Security Provider’s obligations under its Transaction Securities and Guarantee, (ii) direct that the holders of the Bonds return any amounts paid under a Transaction Securities and the Guarantee to the relevant Security Provider or to a fund for the benefit of the Security Provider’s creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Transaction Securities and Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the Security Provider or, in certain jurisdictions, when the granting of the Transaction Securities and Guarantee has the effect of giving a creditor a preference or guarantee or the creditor was aware that the Security Provider was insolvent when the relevant Transaction Securities or Guarantee given;
- the Security Provider did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Transaction Securities and Guarantee and the Security Provider: (i) was insolvent or rendered insolvent because of the relevant Transaction Securities and Guarantee; (ii) was undercapitalized or became undercapitalized because of the relevant Transaction Securities and Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant Transaction Securities and Guarantee were held to exceed the corporate objects of the Security Provider or not to be in the best interests of or for the corporate benefit of the Security Provider; or
- the amount paid or payable under the relevant Transaction Securities and 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 a Security Provider 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 a Security Provider was insolvent on that date, or that a court would not determine, regardless of whether or not a Security Provider was insolvent on the date its Transaction Securities and Guarantee were issued, that payments to holders of the Bonds constituted preferences, fraudulent transfers or conveyances on other grounds. The liability of each Security Provider under its Transaction Securities and Guarantee will be limited to the amount that will result in such Transaction Securities and 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 each Security Provider. There is a possibility that the entire Transaction Securities or Guarantee may be set aside, in which case the entire liability may be extinguished. If a court decided that a Transaction Securities or Guarantee was a preference, fraudulent transfer or conveyance and voided such Transaction Securities or Guarantee, or held it unenforceable for any other reason, the Security Agent may cease to have any claim in respect of the relevant Security Provider and would be a creditor solely of the Issuer and, if applicable, of any other Security Provider under the relevant Transaction Securities or Guarantee which has not been declared void. In the event that any Transaction Securities or Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Transaction Securities and Guarantee obligations apply, the Bonds would be effectively subordinated to all liabilities of the applicable Security Provider.

Risk rating: Medium.

***Rights in the Transaction Securities may be adversely affected by the failure to perfect it.***

According to the law applicable to the Transaction Securities Documents a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured creditor or the security provider. The Transaction Securities may not be perfected if the Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure may result in the ineffectiveness of the relevant Transaction Securities or adversely affect the priority of such security interest in favor of third parties, including a bankruptcy administrator and other creditors who claim a security interest in the same Transaction Securities.

In relation to certain classes of security assets, the terms of the Transaction Securities documents require the perfection action to be carried out only upon the occurrence of a trigger event. A failure by the Security Agent to react to the trigger event may cause the security to be unperfected, and the occurrence of the triggering event and due perfection of the security during a suspect period before the insolvency of the security provider may expose the security to recovery.

Risk rating: Low.

***The enforcement of the Guarantees and the Transaction Securities will be subject to the procedures and limitations set out in the Security Agent Agreement.***

Even when the Transaction Securities is enforceable, the enforcement is subject to the procedures and limitations agreed in the Security Agent Agreement and the Terms and Conditions. There can be no assurance as to the ability of the holders of

the Bonds to instruct the Security Agent to initiate any enforcement procedures. Furthermore, any enforcement of security may be delayed due to the provisions of the Security Agent Agreement and the Terms and Conditions.

Risk rating: Low.

***The Security Agent Agreement and the Transaction Security Documents may be amended without the consent of the holders of the Bonds.***

The Terms and Conditions provide for the Agent to agree to amendments and grant waivers and consents and give written instructions in respect of the Security Agent Agreement and the Transaction Security Documents without consulting the holders of the Bonds provided that in the opinion of the Issuer and the Agent, such amendments or waivers are of a formal, minor or technical nature or are made to correct a manifest or proven error or to comply with mandatory provisions of law and which are in the opinion of the Issuer and the Agent not materially prejudicial to the interests of the holders of the Bonds. Any of the before-mentioned actions may result in less beneficial rights and more cumbersome obligations for the holders of the Bonds under the Transaction Security Documents.

Risk rating: Low.

***The rights of the holders of the Bonds depend on the Agent's and Security Agent's actions and financial standing***

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (being on the date of this Prospectus Greenmarck Restructuring Solutions GmbH, an entity controlled by lawyers of hww hermann wienberg wilhelm Rechtsanwälte) to act on its behalf and to perform administrative functions relating to the Bonds and the Finance Documents. In addition, pursuant to the Security Agent Agreement, the Security Agent has been appointed as the agent and representative of the Secured Creditors, to represent and act for such secured creditors, i.e., the holders of the Bonds, in relation to the Transaction Securities.

The Agent has, among other things, the right to represent the holders of the Bonds in all court and administrative proceedings in respect of the Bonds and the sole right and legal authority to represent the holders of the Bonds vis-à-vis the Security Agent. Only the Security Agent is entitled to exercise the rights under the Transaction Securities and enforce the same. Any failure by an agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the holders of the Bonds due to, for example, inability to enforce the security and/or receive any or all amounts payable from the security in a timely and effective manner.

A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the holders of the Bonds. Funds collected by the Agent as the representative of the holders of the Bonds must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the holders of the Bonds. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, it cannot be excluded that the successor Agent

would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

Materialization of any of the above risks may have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Risk rating: Low.

***We cannot exclude that the Guarantee may be reclassified as a suretyship by a Luxembourg court***

While the Guarantee is structured as a first demand independent guarantee and it explicitly states that it is not a suretyship (*cautionnement*) we cannot exclude that the Guarantee could, if submitted to a Luxembourg court, possibly be construed by such court as a suretyship (*cautionnement*) and not a first demand guarantee or an independent guarantee. Article 2012 of the Luxembourg Civil Code provides that the validity and the enforceability of a suretyship (which constitutes an accessory obligation) is subject to the validity of the underlying obligation. It follows that if the underlying obligations were invalid or challenged, it cannot be excluded that the Guarantors would be released from their liabilities under the Guarantee.

Risk rating: Low.

***Transaction Securities and Guarantees may be released under certain circumstances.***

In addition to the authority for the Security Agent to release relevant part of the Transaction Securities and Guarantees and to discharge Secured Obligations and certain intra-group liabilities in order to facilitate enforcement of Transaction Securities or a distressed disposal or appropriation made in accordance with the Security Agent Agreement, the Security Agent Agreement provides that in connection with a disposal of an asset by a member of the Group permitted under the terms of the secured financing under non-distressed circumstances, the Security Agent is under the Security Agent Agreement authorized to release Transaction Securities over that asset and where the asset consists of shares in a Group company, Transaction Securities and Guarantees granted by such company. Such release will impair the security interest and the secured position of the holders of the Bonds.

The Terms and Conditions of the Bonds provide that the Agent shall in certain circumstances agreed therein, take actions necessary to release the Guarantees and Transaction Securities or part thereof.

After any such release, depending on the scope of the release, the holders of the Bonds may become unsecured and unguaranteed and loose priority in case of foreclosure, dissolution, winding-up, liquidation, recapitalization, administrative or other bankruptcy or insolvency proceedings of any member of the Group.

Risk rating: Low.

## IV. OVERVIEW OF THE GROUP

*The following overview should be read as an introduction to the more detailed information appearing elsewhere in this Prospectus, including our consolidated financial statements. The financial information set forth herein has, unless otherwise indicated, been derived from the Financial Statements included elsewhere in this Prospectus. Any decision by a prospective investor to invest in the Bonds should be based on consideration of the Prospectus as a whole, including the information discussed in “General Information – Forward-Looking Statements” and “Risk Factors” and not solely on this summarized information.*

### OVERVIEW OF THE GROUP

Mogo is one of the largest European used car finance providers based on market share having financed more than 64,000 vehicles. Mogo offers financial leasing and leaseback financing products to its customers with a term of up to 84 months via websites, mobile channels and a broad dealer/broker and branch network. Mogo launched a new installment loan product in Latvia and in Estonia in October 2017 and November 2018 respectively. Customers of Mogo are mainly consumers and small and medium enterprises who prefer to own used vehicles that are not financed by traditional bank loans due to low size tickets and complicated IT solutions. The convenient and fast process offered by Mogo is highly valued by the customers.

The proven business model of Mogo is built around high demand for quality second hand vehicles in Central and Eastern Europe, Central Asia and Balkans 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 Mogo has unlocked a niche market for financial services and is a first mover in this sector benefitting from economies of scale and competitive advantage. Since 2019 AS Longo Group and its direct subsidiaries (together “**Longo**”) are operating in the field of used car trade. Longo sets high standards offering a fully transparent and reliable purchase, sale and financing for used cars. Longo values transparency, honesty and professional approach in everyday processes. The whole process, starting with the purchase of cars in the Netherlands, Belgium and Germany, up to their export to Latvia, Lithuania, and Estonia, technical inspection and registration are made inside Longo group and the team of professionals takes care of it.

Mogo’s two main products are financial leasing, where the services of Mogo are used by customers to acquire the vehicles, and leaseback financing, where the customer sells and leases back to Mogo the vehicle that it owns. One of the key competitive advantages offered by Mogo is the ability to underwrite, score, scrutinize the vehicle and complete the financing and title change process in a very timely manner.

Mogo uses diversified marketing channels to reach out to potential customers. The marketing strategies are tailored made and specific to the country, where the loans will be originated stretching from traditional mass media (including television and radio) to digital channels, SEO techniques and affiliates. Mogo 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 group. 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 Mogo’s proprietary scoring models. In addition, Mogo has created automated instant car valuation models. The models are flexible and can be adjusted to changes in the markets and environment, allowing Mogo to adapt quickly and to maximize existing opportunities. The investments in IT and the underwriting process

enable Mogo 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. Mogo has the ability to change the title to the car in a short period of time and visually inspects all vehicles that are funded. With an excellent customer service delivered through a network of call centers and branches in all operating countries Mogo ensures high customer satisfaction. Mogo has established an efficient debt collection process to maximize the recovery rate from the loans including the sale of the financed cars.

With the group headquarter located in Riga (Latvia), Mogo currently operates through local entities in seventeen countries, *i.e.*, Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Bulgaria, Moldova, Albania, Belarus, Armenia, Ukraine, North Macedonia, Uganda, Kenya, Belgium, Germany, Kazakhstan and Uzbekistan, of which fourteen where the local entities actively issue loans as of 30 June 2019. In all countries of operation Mogo offers leasing and / or leaseback loans. In addition, Mogo offers installment loans in Latvia and Estonia, although as part of the strategy it is planned to expand this offering throughout the international network of Mogo. Installment loans represent 5% of the net loan portfolio as of 30 June 2019.

The largest markets by volume of loans originated currently are Estonia, Latvia, Lithuania, Georgia and Armenia, which together accounted for 66% of the net loan portfolio as of 30 June 2019. As of 30 June 2019, the net loan portfolio was EUR 161.4 million compared to EUR 139.9 million as of 31 December 2018. In the first six months of 2019, Mogo generated profit before tax of EUR 3.1 million and net profit of EUR 3.3 million. In the first six months of 2018, Mogo generated a profit before tax of EUR 2.0 million and a net profit of EUR 2.1 million.

## **STRATEGY AND KEY STRENGTHS**

### **Strategy**

Mogo's strategy is to become the global leading leasing and leaseback company focusing on used car financing. This will be achieved by profitable growth built on four main pillars: (i) established countries, (ii) recently launched markets, (iii) potential new markets and (iv) diversified financing.

The main customer base and portfolio concentration currently is in Latvia, Lithuania, Estonia, Armenia and Georgia. Whilst Mogo is the market leader in the segment of used car financing in these four countries, there is still room for further growth with continuous investment in brand awareness and development of partners' network thus increasing both loan volumes and sizes.

In all other recently (within last three years) launched markets, Mogo is continuing a moderate and controlled growth that will be ramped up once Mogo has an in-depth knowledge about full customer sales and debt collection cycles. Growing portfolios with positive unit economics will lead to economies of scale and profitability in the recently launched markets in the near future.

Mogo also aims to further expand its business in the Central Eastern European, Central Asia and Balkans region, which still offers plenty of opportunities and untapped market potential, particularly in the used car financing segment. Each new potential market entry is preceded by rigorous country studies before a decision is actually taken whether to enter in such market. During 2019 Mogo has entered Kazakhstan and Uzbekistan markets with financial leasing and leaseback products and has continued to develop its used cars sales business via AS Longo Group with the strategy to become market leader in used car sales in the Balkans (and beyond) by taking advantage of the fragmented status of the market. This can be achieved by



applying economies of scale principles and end-to-end control of the car sourcing, transportation, preparation and sales processes in the industry where sales service levels and car reliability have been a source of concerns for customers.

The backbone of the growth of Mogo is to have access to diversified and efficient funding sources. Diversification in the capital structure is the key for further growth in the future including the issue of senior secured bonds. Such funding source provides the benefits of having a very stable investor base as well as achieving immediate cost optimization by refinancing more flexible but expensive debt like marketplace and peer to peer loans.

## **Key strengths**

### *Proven and sustainable business model*

Mogo focuses on secured lending via finance leasing and leaseback against the title of the vehicle. The vehicles funded by Mogo are high quality used vehicles (top three car makers financed by Mogo are BMW, Mercedes 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 title to the vehicle, Mogo can always sell the vehicle should a loan be in a default.

Mogo 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 in-house models and allows Mogo an efficient assessment of the counterparty risk. The approval rate is extremely rigorous: in the first six months of 2019, out of approximately 500,000 applications received Mogo has kept an average approval rate of 9%.

Mogo has created a sophisticated automated car evaluation. The underlying data in the tool is regularly refreshed through an automated process from leading local online car sale webpages and takes into account a large number of parameters, including car model, maker, year, transmission, mileage, engine type, engine size and others. Mogo automatically and instantly assesses the value of the car by integrating relevant databases such as state authority databases, manufacturer records, stolen vehicles and accident databases, while requesting detailed technical information about the car and comparable screening criteria by reviewing main virtual car marketplaces in each country.

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

Mogo is a leading player in the segment of European used car lending with a unique reach across a large number of European markets. Mogo's presence is ensured by a large network of branches in these countries as well as a widespread network of brokers and used car sales dealers. Mogo uses traditional and digital marketing channels. Mogo benefits from the high visibility that its marketing has helped to develop and the investment in marketing technologies enables Mogo to target the most efficient marketing channels in each of the operating countries. While Mogo 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.

Mogo has a proven track record and has developed a strong know how that allows its flexible business model to be implemented into new markets in a relatively easy and efficient way by leveraging on its knowledge and technology resources.

#### Simple and transparent product offering

The Mogo products are designed to offer simplicity, convenience and transparency to the customers. The convenient online and mobile loan sales channels 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). For the products in relation to financial leasing and leaseback, customers are charged a nominal interest and fees in the range of 1.5%-5.5% per month, payable monthly on the outstanding principal payable. While penalty interests are charged for delayed loans, this is a minimal proportion of the income and shows the resilience of the customer base. Mogo applies transparent fees.

The design of the Mogo 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 whether a financing product, subject to the jurisdiction of the given customers and product type, will be offered in approximately six to seventy five minutes after submitting an application. The customers value the Mogo services as an important component of their personal finances because of the convenience and transparency of the products compared to other available alternatives.

#### Large physical footprint 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, Mogo has put in place dedicated partner account managers and specific partner programs in order to establish a business relationship with used car sellers. The Mogo brand is then promoted when a potential customer approaches the car seller with an inquiry about available financing options. As of 30 June 2019 Mogo entered into cooperation contracts with more than 1800 car dealerships.

As of 30 June 2019, Mogo had 97 branches in 15 countries, which are strategically located to facilitate the needs of the customers.

#### Innovative, data-driven business processes

Mogo 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 physical footprint. In addition, the IT systems have demonstrated a track record for reliability and performance. Mogo takes 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.

Mogo 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 Mogo is increasingly sophisticated and enables a dynamically adjust investment in different marketing channels to optimize the amount and type of traffic directed to the Mogo 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 Mogo with proprietary credit scoring models containing anonymized information from over 1.0 million loan applications (as of 30 June 2019), including both traditional and alternative data points, provides valuable insight into customer attitudes and behaviors in the existing markets. Since the inception until 30 June 2019, Mogo has issued loans in the aggregate amount of EUR 405 million and, as of 30 June 2019, Mogo had reached 100 thousand registered customers. Mogo continuously learns and analyzes customer behavior patterns in all the markets where it operates, and applies and tests this experience when entering into new countries.

The dynamic credit scoring model aims to ensure that Mogo captures the highest quality and potentially most profitable customer base in the existing and prospective markets. Mogo 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 10% as of 30 June 2019, compared to 8% as of 31 December 2018. Such ratio takes into account the rate of non-performing loans as of a specific date (for example, 30 June 2019) as a percentage of loans issued since the inception of Mogo.

#### Real time car valuation

For the purpose of evaluating the used cars, Mogo has internally developed a state-of-the-art solution with multiple integrations with different databases, such as state transport authority databases, stolen vehicle databases, accident databases, manufacturer records and others. This approach allows Mogo to obtain detailed technical information about the vehicle and its legal status. Mogo has also developed integrations with main virtual car marketplaces in each country. While using these marketplaces Mogo is able to obtain comparable car screening data in the respective country and prepare an instant car valuation.

#### Customer service with focus on high customer satisfaction

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

Mogo has developed a customer service division amounting to 815 full-time specialized employees as of 30 June 2019, delivering increasingly convenient customer support in local languages across all markets. Mogo 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, Mogo carefully monitors different customer service quality ratios, such as call waiting minutes and abandoned calls. Customer service quality is one of the reasons for customers who wish to access credit again to return to Mogo.

### Established and efficient debt collection procedures

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

With the exception of Estonia, Mogo mainly handles all debt collection and car repossession activities in-house. Mogo has gained substantial expertise in debt collection strategies over the years. In certain countries, Mogo outsources parts of the debt collection activities to test and compare the efficiency of internal versus external debt collection. Mogo monitors the results of debt collection procedures and aims to implement the most appropriate and efficient procedure in each jurisdiction, thereby increasing the effectiveness of the debt collection process.

Mogo does not employ controversial cash collection practices, such as the use of continuous payment authority or the siphoning of monies from customers' bank accounts. Such practices are controversial and will or may become illegal in certain jurisdictions. Due to this fact, and also from a customer relations and loyalty perspective, Mogo is of the view that the business model is more sustainable than those of other competitors that do engage in that type of debt collection practices.

With the exception of Estonia, the repossessed car sales process is handled mainly in-house. In certain newly established countries, parts of the repossessed car sales activities are outsourced to establish the most efficient repossessed car sales models and not to lose any collateral value at the very beginning of a new country operations phase. Mogo monitors the results of repossessed car sales procedures and implements the most appropriate and efficient procedure in each jurisdiction, thereby increasing the effectiveness of the repossessed car sales process.

### Strong financial position and unit economics

Latvia, Lithuania, Estonia, Georgia and Armenia, have demonstrated strong cash flow and profitability characteristics, which are also the most mature countries as regards the total loan portfolio. In the first six months of 2019, a high net profit after tax margin and return on average assets of 29% and 11% respectively has been reached. Mogo employs a conservative strategy regarding the maturity profile of the balance sheet.

Mogo operates with a highly efficient cost base and infrastructure. The cost to income ratio in Latvia, Lithuania, Estonia, Georgia and Armenia was 22% for the first six months of 2019. The revenue base is geographically diverse, which is a natural hedge of the financial performance against foreign exchange rate movements in other different markets. Mogo takes the view that this has supported the stable historic growth profile.

### Experienced management with proven track record

The executive team and country managers of Mogo 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 Mogo both on the strategic front and in the development of new products. Their knowledge, experience and support are an asset for Mogo and provide Mogo with a significant competitive advantage.

## **HISTORY**

Back in 2012 the founders of AS “mogo” 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. Mogo 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 AS “mogo” offering. Hence Mogo successfully expanded its operations.

From 2013 to 2014, we initiated operations in Lithuania, Estonia and Georgia, and from 2016 to 2017, we initiated additional operations in Poland, Romania, Bulgaria, Moldova and Albania through the establishment of new start-up entities. In 2018 we initiated additional operations in Armenia, Ukraine, North Macedonia and Uzbekistan. See “—Group Structure—Legal Structure” below. In 2019 we started offering our products in Uganda, Kenya Uzbekistan and Kazakhstan.

In 2017, we launched Installment Loans in Latvia.

Currently operating in 17 countries – Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Bulgaria, Moldova, Belarus, Albania, Armenia, Ukraine, North Macedonia, Uganda, Kenya, Kazakhstan and Uzbekistan – Mogo is still growing.

## **RECENT DEVELOPMENTS**

### *Business development*

Since the beginning of 2019, Mogo expanded its business activities in existing jurisdictions, with particularly strong growth in Bulgaria, Romania, Belarus, Albania and Moldova. At the end of 30 June 2019, Mogo’s net loan portfolio increased to EUR 161.4 million (compared to EUR 139.9 million at the end of 31 December 2018). In addition, Mogo has started to issue loans in Kazakhstan and Uzbekistan.

Additionally, during 2018 it was decided to separate Group’s car sales business from the lending activities under a new brand – Longo. The decision was made to have team and business unit focusing solely on car sales to extract maximum value from the vehicles for sale. As a result, it is expected that Longo will create platform for reliable and transparent car sales within the countries they operate.

For the Group it provides several benefits:

- Reliable partner that controls quality of cars
- Savings on the commissions
- More direct focus on crediting and used car sales separately
- A platform to expand on with ad-on products in future

In 2019 Longo has shifted its focus from locally sourced cars to mainly selling cars that were purchased in the Netherlands, Belgium and Germany. This allows for better control of the quality of product, customer satisfaction, and strengthening of the brand name. Longo’s test operations started in August 2018 and by May 2019 Longo reached the milestone of 1000 cars bought. Current sourcing rate is over 200 cars a

month with an average age of 10 years and 2/3 of cars in the 2000 – 8000 Euro price range.

At the end of 2018 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 6 (six) months, covering only costs of defects during the used period, if any.

While the businesses developed with respect to AS Longo and AS “Renti” are currently operating under Mogo and are well integrated within the Group, the Group may consider their spinoff if, by doing so, their valuation as stand alone enterprises would increase and the Group may focus its resources on its core business, i.e., used car lending.

#### *New borrowings*

On 11 July 2018, Mogo Finance successfully issued the Existing 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 the proceeds of such bonds issue the Group has fully repaid EUR 12.5 million loan from Bonriki with an annual interest rate of 12.5%, realizing efficiency in borrowing costs of 3 percent points.

On 16 November 2018, Mogo Finance successfully tapped the Existing Bonds up to EUR 75 million. With the proceeds of such bonds issue the Group repaid more than EUR 45 million loans received through the Mintos marketplace lending platform, successfully driving down the average cost of borrowing in marketplace lending platforms. The average rate of borrowing without platform fees in marketplace lending platforms was 10.5% at the end of 30 June 2019 compared to 12.8% at the end of 31 December 2018 and to 10.3% at the 31 December 2017. The borrowings from marketplace lending platforms have the same maturity profile of the underlying loans issued thus providing Mogo with a perfect asset and liability duration match.

## V. GENERAL INFORMATION

### Responsibility Statement

The Issuer 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, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the listing of the New Bonds on the Regulated Market, including all information which, according to the particular nature of the Issuer, of the Group and of the New 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 Group and of the rights attached to the New 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.

### Authorisation

The creation and issue of the New Bonds has been authorised by a resolution of the board of directors of the Issuer dated 4 November 2019.

### Subject of this Prospectus

The subject matter of the Prospectus is the admission to trading on the Frankfurt regulated market of the New Bonds in the aggregate principal amount of EUR 25,000,000.00 in a denomination of EUR 1,000.00 each, to be consolidated and form a single series with the Existing Bonds. The Existing Bonds have been admitted to trading on the Euro MTF of the Luxembourg Stock Exchange without the consent of the Issuer. The interest offered on the New Bonds is 9.50%. Unless previously redeemed, the New Bonds will be repaid on 10 July 2022. The New Bonds are governed by Luxembourg law and constitute bonds in bearer form in accordance with Luxembourg applicable laws. The New Bonds are freely transferable. The yield of the New Bonds is 9.50% per annum, equal to the interest rate of the New Bonds. The security codes of the New Bonds are as follows:

International Securities Identification Number: XS1831877755

Common Code: 183187775

### References

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

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 CSSF.

## **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 it 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 Group 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 2018 (including restated comparative financial information as of and for the financial year ended 31 December 2017) (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 interim consolidated financial information as at and for the six-month period ended 30 June 2019 (consisting of the consolidated statement of financial position as at 30 June 2019 and the consolidated statements of comprehensive income and cash flows for the six months ended 30 June 2019) which are prepared on the basis of the applicable recognition, measurement and consolidation principles of the IFRS applicable to interim financial reporting. In particular due to the initial application of IFRS 9 – Financial Instruments, IFRS 15 – Revenue from Contracts with Customers and IFRS 16 – Leases as of 1 January 2018 using the modified retrospective approach without restatement of the comparative figures for the previous period as described in Note 2 “Summary of significant accounting policies” to the Issuer’s audited consolidated financial statements as of and for the financial year ended 31 December 2018, the comparability of the financial information as of the dates and for the periods presented in this Prospectus is limited. The restatement of the comparative financial information as of and for the financial year ended 31 December 2017 in the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2018 relates to reclassifications of interest related items to properly reflect the requirements stipulated by paragraph 82(a) of IAS 1 applicable with effect from 1 January 2018, as described in more detail in Note 2 “Summary of significant accounting policies” to the Issuer’s audited consolidated financial statements as of and for the financial year ended 31 December 2018.

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

### **MiFID II Product Governance**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the New Bonds has led to the conclusion that: (i) the target market for the New Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the New Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the New 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 New 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, 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, on weekdays from 9:00 am to 4:00 pm and will be available on the Issuer's website at <https://mogo.finance/>:

- the Prospectus (<https://mogo.finance/bonds/>);
- the Issuer's up to date articles of association (<https://mogo.finance/documents-available-for-inspection/>);
- the Guarantors' 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 2017 and 31 December 2018 (<https://mogo.finance/results-and-reports/>);

- the Issuer’s audited stand-alone annual accounts as of and for the financial years ended 31 December 2017 and 31 December 2018 (<https://mogo.finance/results-and-reports/>);
- the Issuer’s unaudited interim consolidated financial reports for the six months ended 30 June 2019 (<https://mogo.finance/results-and-reports/>);
- AS “mogo”’s audited annual accounts as of and for the financial years ended 31 December 2017 and 31 December 2018 (<https://mogo.finance/results-and-reports/>); and
- AS “mogo”’s unaudited interim financial reports for the six months ended 30 June 2019 (<https://mogo.finance/results-and-reports/>).

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, 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, on weekdays from 9:00 am to 4:00 pm:

- the Guarantee;
- the Transaction Security Documents;
- the Agent Agreement;
- the Security Agent Agreement.

## **VI. USE OF NET PROCEEDS**

The net proceeds of the issue of the New Bonds are EUR 24m and are intended to be used to refinance part of the outstanding Mintos Debt, which as at 30 June 2019 is in the amount of EUR 73.8m.

The Issuer has lent and will lend the proceeds to the Group companies as required.

## VII. CAPITALIZATION

The table below sets forth our consolidated capitalization of the Group as of 31 December 2018 and 30 June 2019 on an actual historical basis. This table should be read in conjunction with “Use of Net Proceeds,” “Description of Certain Indebtedness” and the Financial Statements included elsewhere in this Prospectus.

	<b>As of 31 December 2018</b>	<b>As of 30 June 2019</b>
	<b>Audited unless otherwise indicated</b>	<b>Unaudited</b>
	<b>(in Million EUR)</b>	<b>(in Million EUR)</b>
<b>Cash and cash equivalents .....</b>	<b>6.5</b>	<b>5.3</b>
<b>Debt</b>		
Non-current loans from related parties.....	-	0.2
Bonds <sup>1</sup> (unaudited) .....	91.5	97.8
Bond additional interest accrual	0.2	0.2
Accrued interest for bonds.....	3.2	3.4
Bonds acquisition costs (unaudited).....	(3.9)	(3.7)
Lease liabilities for rent of premises and vehicles (unaudited).....	2.4	2.6
Accrued interest for loans from non-related parties.....	0.1	0.1
Long term loan from banks	8.2	9.7
Current loans from non-related parties.....	-	0.6
Loan acquisition costs .....	(0.6)	(0.6)
Non-current financing received from P2P investors .....	33.5	46.6
Current financing received from P2P investors .....	15.4	26.9
Accrued interest for financing received from P2P investors .....	0.3	0.4
Subordinated loans.....	2.5	2.7
Accrued interest for loans from bank.....	0.1	0.1

<sup>1</sup> Bonds includes the current and non-current portions of the Mogo Finance bonds due July 2022, the Mogo AS 20m bonds due March 2021 and the Mogo AS 10m bonds due March 2021.

<sup>2</sup> For the purposes of Prospectus, the Total debt is the sum of (i) Non-current borrowings (EUR 154.6 million) and (ii) Current borrowings (EUR 32.4 million) as presented in the Group’s interim consolidated financial information as of 30.06.2019.

<b>Total debt<sup>2</sup> (unaudited).....</b>	<b>152.9</b>	<b>187.0</b>
<b>Equity</b>		
Share capital <sup>3</sup> .....	0.0	0.0
Retained earnings/(losses).....	15.1	18.5
Reserve.....	0.1	0.1
Foreign currency translation reserve .....	(0.4)	(1.0)
<b>Total equity attributable to equity holders of the parent company.....</b>	<b>14.8</b>	<b>17.6</b>
Non-controlling interests.....	0.5	0.4
<b>Total capitalization<sup>4</sup> (unaudited) .....</b>	<b>168.2</b>	<b>205.0</b>

The share capital of the Issuer was increased to EUR 1,000,000 on 29 October 2019. In addition, the shareholders of the Issuer have granted EUR 1,000,000 shareholder loans to the Issuer on 22 October 2019.

Except as disclosed above, there have been no material changes in the Group's consolidated capitalization or indebtedness since 30 June 2019.

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<sup>2</sup> For the purposes of Prospectus, the Total debt is the sum of (i) Non-current borrowings (EUR 154.6 million) and (ii) Current borrowings (EUR 32.4 million) as presented in the Group's interim consolidated financial information as of 30.06.2019.

<sup>3</sup> Share capital as of 30.06.2019, 31.12.2018: EUR 31 036.

<sup>4</sup> For the purposes of this Prospectus, the Total capitalization is the sum of (i) Non-current borrowings (EUR 154.6 million), (ii) Current borrowings (EUR 32.4 million) and (iii) Total equity (EUR 18.0 million) as presented in the Group's interim consolidated financial information as of 30.06.2019.

## VIII. SELECTED FINANCIAL INFORMATION AND OPERATING DATA

*As at the date of this Prospectus, the parent company of the Group is 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 Group as at and for (i) the financial years ended 31 December 2018 and 31 December 2017 derived from the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2018 (including restated comparative financial information for the financial year ended 31 December 2017) prepared in accordance with IFRS, and (ii) the six-month periods ended 30 June 2019 and 30 June 2018 derived from the unaudited interim consolidated financial information as at and for the six-month period ended 30 June 2019 (consisting of the consolidated statement of financial position as at 30 June 2019 and the consolidated statements of comprehensive income and cash flows for the six months ended 30 June 2019) 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 interim consolidated 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

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest revenue calculated using the effective interest method.....	54.4	35.6	33.9	24.8
<b>Net interest income.....</b>	<b>41.8</b>	<b>27.0</b>	<b>24.8</b>	<b>18.1</b>
<b>Net profit for the period.....</b>	<b>4.6</b>	<b>9.0</b>	<b>3.3</b>	<b>2.1</b>
<b>Total comprehensive income for the year .....</b>	<b>4.7</b>	<b>8.5</b>	<b>2.7</b>	<b>2.8</b>

### *Consolidated statement of comprehensive income data*

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited)		(Unaudited)	
	(in Million EUR)			

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest revenue calculated using the effective interest method.....	54.4	35.6	33.9	24.8
Interest expense calculated using the effective interest method.....	(12.6)	(8.5)	(9.2)	(6.7)
<b>Net interest income.....</b>	<b>41.8</b>	<b>27.0</b>	<b>24.8</b>	<b>18.1</b>
Fee and commission income ..	3.6	2.9	1.7	1.7
Impairment expense .....	(17.6)	(6.9)	(6.0)	(7.6)
Net loss from de-recognition of financial assets measured at amortized cost.....	(0.7)	(0.2)	(1.3)	(1.6)
Expenses related to peer-to-peer platform services .....	(0.7)	(0.9)	(0.3)	(0.8)
Revenue from leases .....	0.2	-	1.3	-
Revenue from car sales .....	4.0	-	6.3	1.6
Expenses from car sales .....	(3.9)	-	(6.2)	(1.6)
Selling expense.....	(2.3)	(1.4)	(1.8)	(1.2)
Administrative expense.....	(17.9)	(9.3)	(14.4)	(7.5)
Other operating income .....	0.8	0.2	1.2	0.1
Other operating expense .....	(1.2)	(0.6)	(1.0)	(0.3)
Net foreign exchange result....	(0.3)	(0.9)	(1.0)	0.9
<b>Profit before tax .....</b>	<b>5.7</b>	<b>10.0</b>	<b>3.1</b>	<b>1.9</b>
Corporate income tax .....	(1.4)	(1.0)	(0.4)	(0.4)
Deferred corporate income tax .....	0.4	(0.0)	0.6	0.5
<b>Net profit for the period.....</b>	<b>4.6</b>	<b>9.0</b>	<b>3.3</b>	<b>2.1</b>
Translation of financial information of foreign operations to presentation currency .....	0.1	(0.5)	(0.6)	0.7
<b>Total comprehensive income for the year/period .....</b>	<b>4.7</b>	<b>8.5</b>	<b>2.7</b>	<b>2.8</b>

## 2. Selected consolidated statement of financial position data

	As of 31 December 2018	As of 31 December 2017	As of 30 June 2019
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	<b>(Audited)</b>		<b>(Unaudited)</b>
	<b>(in Million EUR)</b>		
<b>Total assets .....</b>	<b>174.3</b>	<b>112.5</b>	<b>213.8</b>
Non-current borrowings	122.6	70.8	154.6
Current borrowings .....	30.3	25.8	32.4
<b>Total equity .....</b>	<b>15.3</b>	<b>11.5</b>	<b>17.9</b>
<b>Total equity and liabilities....</b>	<b>174.3</b>	<b>112.5</b>	<b>213.8</b>

***Consolidated statement of financial position data***

	<b>As of 31 December 2018</b>	<b>As of 31 December 2017</b>	<b>As of 30 June 2019</b>
	<b>(Audited)</b>		<b>(Unaudited)</b>
	<b>(in Million EUR)</b>		
Cash and cash equivalents.....	6.5	5.2	5.3
Non-current finance lease receivables .....	88.2	63.8	108.1
Non-current loans and advances to customers .....	2.2	0.7	2.6
Current finance lease receivables .....	46.4	32.1	44.5
Current loans and advances to customers .....	3.1	0.5	6.3
Current loans to related parties	0.1	0.0	0.1
Assets held for sale .....	2.6	2.2	1.5
Goodwill .....	1.7	1.5	2.2
Internally generated intangible assets.....	1.9	1.2	2.8
Other intangible assets .....	0.1	0.1	0.1
Right-of-use assets .....	2.4	-	2.5
Rental fleet.....	1.4	-	10.1
Property, plant and equipment.....	1.0	0.4	1.8
Leasehold improvements.....	0.3	0.0	0.5
Advance payments for assets.....	0.2	-	0.2
Deferred tax asset .....	0.6	0.2	1.2
Finished goods and goods for resale .....	1.7	0.8	5.0
Prepaid expense .....	0.8	0.7	1.3

	As of 31 December 2018	As of 31 December 2017	As of 30 June 2019
	(Audited)		(Unaudited)
	(in Million EUR)		
Trade receivables .....	0.8	-	0.2
Non-current loans to related parties .....	5.3	0.6	8.7
Other non-current financial assets .....	1.0	-	0.8
Other short-term receivables from related parties .....	0.0	0.1	-
Other loans and receivables..	4.7	-	4.0
Corporate income tax receivable.....	-	-	0.5
Other receivables.....	1.3	2.3	3.6
<b>Total assets .....</b>	<b>174.3</b>	<b>112.5</b>	<b>213.8</b>
<b>Provisions for liabilities and charges</b>			
Non-current provisions.....	1.1	0.7	0.6
<b>Total provisions for liabilities and charges</b>	<b>1.1</b>	<b>0.7</b>	<b>0.6</b>
<b>Liabilities</b>			
Non-current borrowings	122.6	70.8	154.6
Current borrowings .....	30.3	25.8	32.4
Other non-current financial liabilities .....	0.1	0.1	-
Prepayments and other payments received from customers .....	0.1	0.8	0.1
Trade payable.....	1.2	0.7	1.3
Corporate income tax payable .....	0.6	0.7	0.2
Taxes payable .....	0.6	0.2	0.5
Other liabilities .....	0.2	0.1	3.3
Accrued liabilities .....	1.8	1.0	2.2
Other current financial liabilities .....	0.1	0.1	0.1
<b>Provisions for liabilities and charges</b>	<b>0.4</b>	<b>-</b>	<b>0.6</b>

	As of 31 December 2018	As of 31 December 2017	As of 30 June 2019
	(Audited)		(Unaudited)
	(in Million EUR)		
Current provisions.....			
<b>Total provisions for liabilities and charges</b>	<b>0.4</b>	-	<b>0.6</b>
<b>Total liabilities.....</b>	<b>159.0</b>	<b>101.0</b>	<b>195.9</b>
Share capital <sup>5</sup> .....	0.0	0.0	0.0
Share premium.....	-	-	-
Retained earnings.....	15.1	11.5	18.5
Foreign currency translation reserve.....	(0.4)	(0.5)	(1.0)
Reserve.....	0.1	0.1	0.1
<b>Total equity attributable to equity holders of the Parent Company.....</b>	<b>14.8</b>	<b>11.1</b>	<b>17.6</b>
Non-controlling interests.....	0.5	0.4	0.4
<b>Total equity.....</b>	<b>15.3</b>	<b>11.5</b>	<b>17.9</b>
<b>Total equity and liabilities....</b>	<b>174.3</b>	<b>112.5</b>	<b>213.8</b>

### 3. Selected consolidated statement of cash flows data

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited)		(Unaudited)	
	(in Million EUR)			
<b>Operating profit before working capital changes</b>	(16.1)	(10.4)	(11.6)	(5.0)
<b>Cash generated to/from operations</b>	(68.1)	(53.5)	(41.0)	(40.2)
<b>Net cash flows to/from operating activities</b>	<b>(27.4)</b>	<b>(26.6)</b>	<b>(17.0)</b>	<b>(23.2)</b>
<b>Net cash flows to/from financing activities</b>	<b>43.3</b>	<b>30.8</b>	<b>33.2</b>	<b>26.5</b>
<b>Cash at the end of the year</b>	<b>6.5</b>	<b>5.2</b>	<b>5.3</b>	<b>2.9</b>

<sup>5</sup> Share capital as of 30.06.2019 EUR 31 036, 31.12.2018 EUR 31 036 and 31.12.2017: EUR 31 036.

**Consolidated statement of cash flows data**

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited)		(Unaudited)	
<b>Cash flows to/from operating activities</b>	(in Million EUR)			
Profit before tax	5.7	10.0	3.1	1.9
Adjustments for:				
Amortization and depreciation	1.8	0.6	1.6	0.4
(Gain)/loss from fluctuations of currency exchange rates	0.3	(0.9)	0.4	1.6
Impairment expense	17.6	6.9	7.3	9.1
Loss/(gain) on disposal of property, plant and equipment	0.2	(0.0)	0.4	(0.0)
Interest income	(54.4)	(35.5)	(33.6)	(24.8)
Interest expense	12.6	8.5	9.2	6.7
<b>Operating profit before working capital changes</b>	<b>(16.1)</b>	<b>(10.4)</b>	<b>(11.6)</b>	<b>(5.0)</b>
Increase in inventories	(0.9)	(0.8)	(3.3)	(0.3)
Increase in finance lease receivables, loans and advances to customers and other current assets	(52.5)	(43.6)	(28.6)	(34.3)
Increase in accrued liabilities	1.2	0.9	(0.2)	0.1
Increase/(decrease) in trade payable, taxes payable and other liabilities	0.1	0.4	2.8	(0.7)
<b>Cash generated to/from operations</b>	<b>(68.1)</b>	<b>(53.5)</b>	<b>(41.0)</b>	<b>(40.2)</b>
Interest received	54.3	35.5	33.4	24.8
Interest paid	(12.4)	(7.8)	(8.9)	(6.9)
Corporate income tax paid	(1.2)	(0.8)	(0.6)	(0.9)
<b>Net cash flows to/from operating activities</b>	<b>(27.4)</b>	<b>(26.6)</b>	<b>(17.0)</b>	<b>(23.2)</b>
<b>Cash flows to/ from investing activities</b>				
Purchase of property, plant and equipment and intangible assets	(1.9)	(0.7)	(3.5)	(1.9)
Purchase of rental fleet	(1.4)	-	(10.2)	-
Acquisition of a subsidiary,	(0.9)	-	(0.1)	-

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited)		(Unaudited)	
<b>Cash flows to/from operating activities</b>	(in Million EUR)			
net of cash acquired				
Advance payments for acquisition of a subsidiaries	(1.0)	-	-	-
Loan repayments received	1.5	0.1	1.1	0.1
Loans issued	(10.7)	(0.6)	(4.7)	(3.8)
<b>Net cash flows to/ from investing activities</b>	<b>(14.4)</b>	<b>(1.3)</b>	<b>(17.4)</b>	<b>(5.6)</b>
<b>Cash flows to/from financing activities</b>				
Proceeds from issue/(repayment) of share premium	-	(10.0)	-	-
Proceeds from borrowings	304.7	150.1	103.5	131.3
Repayments for borrowings	(259.5)	(109.3)	(68.8)	(104.8)
Repayment of liabilities for right-of-use assets	(1.8)	-	(1.5)	-
Dividends paid to non-controlling shareholders	(0.1)	(0.0)	-	-
<b>Net cash flows to/from financing activities</b>	<b>43.3</b>	<b>30.8</b>	<b>33.2</b>	<b>26.5</b>
Effect of exchange rates on cash and cash equivalents	(0.2)	0.1	-	-
Change in cash	<b>1.3</b>	<b>3.0</b>	<b>(1.3)</b>	<b>(2.3)</b>
Cash at the beginning of the year/period	5.2	2.2	6.5	5.2
<b>Cash at the end of the year/period</b>	<b>6.5</b>	<b>5.2</b>	<b>5.3</b>	<b>2.9</b>

#### 4. Net debt

	As of 31 December 2018	As of 31 December 2017	As of 30 June 2019
	(Audited unless otherwise indicated, actual)	(Audited unless otherwise indicated, actual)	(Unaudited)
	(in Million EUR)	(in Million EUR)	(in Million EUR)
<b>Cash and cash equivalents</b> .....	<b>6.5</b>	<b>5.2</b>	<b>5.3</b>
Non-current loans from related parties.....	-	5.8	0.2
Bonds <sup>6</sup> (unaudited).....	91.5	27.0	97.8
Subordinated loans .....	2.5	-	2.7
Accrued interest for bonds .....	3.2	-	3.4
Bond additional interest accrual (non- current) .....	0.2	0.1	0.2
Bonds acquisition costs (unaudited) .....	(3.9)	(0.5)	(3.7)
Lease liabilities for the rent of premises and vehicles (unaudited) .....	2.4	-	2.6
Accrued interest for loans from non-related parties.....	0.1	0.5	0.1
Long term loan from banks .....	8.2	-	9.7
Current loans from non-related parties .....	-	12.0	0.6
Loan acquisition costs .....	(0.6)	(0.6)	(0.6)
Non-current financing received from P2P investors.....	33.5	39.0	46.6
Current financing received from P2P investors.....	15.4	13.0	26.9
Accrued interest for financing received from P2P investors.....	0.3	0.3	0.4
Accrued interest for loans from bank .....	0.1	-	0.1
<b>Total debt (unaudited)</b> .....	<b>(152.9)</b>	<b>(96.6)</b>	<b>(187.0)</b>

<sup>6</sup> Bonds includes the current and non-current portions of the Mogo Finance S.A. bonds due July 2022, the Mogo AS 20m bonds due March 2021 and the Mogo AS 10m bonds due March 2021.

<b>Net debt<sup>7</sup> (unaudited).....</b>	<b>(146.4)</b>	<b>(91.4)</b>	<b>(181.7)</b>
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<sup>7</sup> For the purposes 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

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

	As of and for the year ended 31 December 2018	As of and for the year ended 31 December 2017	As of and for the six- month period ended 30 June 2019	As of and for the six- month period ended 30 June 2018
	(Unaudited)		(Unaudited)	
	(in Million EUR, except percentages)			
Net loan portfolio <sup>(1)</sup>	139.9	97.2	161.4	-
Net worth <sup>(2)</sup> / Net loan portfolio	13%	12%	13%	-
Profit before tax margin <sup>(3)</sup>	10%	28%	9%	8%
Return on average assets <sup>(4)</sup>	3%	10%	2%	-
Cost / income ratio <sup>(5)</sup>	35%	28%	44%	33%
Net impairment to revenue ratio <sup>(6)</sup>	34%	20%	22%	37%
Non-performing loans (i.e. 35 or more days) as a share of value of portfolio of loans	16%	10%	16%	-

(1) 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, reserves and subordinated debt.

(3) Profit before tax divided by the interest revenue calculated using the effective interest method for the relevant period.

(4) Net profit for the period/ average assets (total assets as of the start and end of each period divided by two).

(5) Sum of administrative expense and selling expense / sum of Interest revenue calculated using the effective interest method, Fee and commission income and Revenue from leases.

(6) Impairment of financial assets divided by operating income (revenue).



## 6. Other financial data (EBITDA)

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(Audited unless otherwise indicated)		(Unaudited)	
	(in Million EUR)			
Net profit for the period	4.6	9.0	3.3	2.1
Corporate income tax and deferred corporate income tax (unaudited)	1.1	1.0	(0.2)	(0.1)
Interest expense calculated using the effective interest method	12.6	8.5	9.2	6.7
Amortization and depreciation	1.8	0.6	1.6	0.4
Net foreign exchange result	0.3	0.9	1.0	(0.9)
<b>EBITDA (unaudited)</b>	<b>20.4</b>	<b>20.0</b>	<b>14.9</b>	<b>8.1</b>

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, and net foreign exchange result 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

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 our operative companies for the periods indicated. The Group started operations in Belarus, Ukraine and Uzbekistan in 2018. There are no comparable data as of and for the fiscal year ended 31 December 2017.

The Group started operations in Armenia in 2018 by acquiring an existing company.

The Group started operations in Kazakhstan, Kenya, Uganda and North Macedonia in 2019.

	As of and for the year ended 31 December 2018	As of and for the year ended 31 December 2017
	(Unaudited)	(Unaudited)
<b>Latvia</b>		
Number of registered customers	22,135	13,516
Loan amounts issued (in Million EUR)	26.7	24.2
Average ticket (in Thousand EUR)	1.9	3.3
<b>Lithuania</b>		
Number of registered customers	9,539	8,397
Loan amounts issued (in Million EUR)	16.4	12.7
Average ticket (in Thousand EUR)	2.7	3.3
<b>Estonia</b>		
Number of registered customers	6,349	5,437
Loan amounts issued (in Million EUR)	13.2	11.9
Average ticket (in Thousand EUR)	3.6	3.6
<b>Georgia</b>		
Number of registered customers	11,054	10,923
Loan amounts issued (in Million EUR)	21.1	18.5
Average ticket (in Thousand EUR)	1.6	1.5
<b>Poland</b>		
Number of registered customers	3,183	2,612
Loan amounts issued (in Million EUR)	2.8	8.0
Average ticket (in Thousand EUR)	3.3	3.1
<b>Romania</b>		
Number of registered customers	2,855	1,026
Loan amounts issued (in Million EUR)	8.5	4.1
Average ticket (in Thousand EUR)	3.4	3.7
<b>Bulgaria</b>		
Number of registered customers	3,786	844
Loan amounts issued (in Million EUR)	11.4	3.2
Average ticket (in Thousand EUR)	3.2	3.5

	<b>As of and for the year ended 31 December 2018</b>	<b>As of and for the year ended 31 December 2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Moldova</b>		
Number of registered customers	1,684	358
Loan amounts issued (in Million EUR)	7.1	1.6
Average ticket (in Thousand EUR)	4.0	4.3
<b>Albania</b>		
Number of registered customers	317	2
Loan amounts issued (in Million EUR)	1.2	0.01
Average ticket (in Thousand EUR)	3.5	6.0
<b>Armenia</b>		
Number of registered customers	4,586	736
Loan amounts issued (in Million EUR)	15.2	2.1
Average ticket (in Thousand EUR)	1.9	2.6
<b>Belarus</b>		
Number of registered customers	643	-
Loan amounts issued (in Million EUR)	2.3	-
Average ticket (in Thousand EUR)	3.6	-
<b>Ukraine</b>		
Number of registered customers	19	-
Loan amounts issued (in Million EUR)	0.07	-
Average ticket (in Thousand EUR)	3.1	-
<b>Uzbekistan</b>		
Number of registered customers	2	-
Loan amounts issued (in Million EUR)	0.01	-
Average ticket (in Thousand EUR)	6.3	-

As of 31 December 2018 (compared to 31 December 2017), the number of registered customers increased significantly in Latvia, Lithuania, Estonia and Georgia mainly due to marketing activities designed to grow our customer base in these markets. Loan amounts issued have increased in all of the five countries.

The table below provides further key metrics for our operative companies for the periods indicated.

	As of and for the year ended 31 December 2018  (Unaudited)	As of and for the year ended 31 December 2017  (Unaudited)
	(in Million EUR, except percentages)	
<b>Latvia</b>		
Profit before tax	2.8	4.2
Net loan portfolio	36.1	31.6
Average monthly interest rate on loans to customers	3%	3%
Net margin ratio <sup>8</sup>	18%	27%
Cost to income ratio <sup>9</sup>	29%	32%
<b>Lithuania</b>		
Profit before tax	4.8	4.1
Net loan portfolio	24.7	19.3
Average monthly interest rate on loans to customers	4%	3%
Net margin ratio	39%	45%
Cost to income ratio	16%	18%
<b>Estonia</b>		
Profit before tax	3.5	2.9
Net loan portfolio	19.7	16.7
Average monthly interest rate on loans to customers	3%	3%
Net margin ratio	49%	49%
Cost to income ratio	13%	15%
<b>Georgia</b>		
Profit before tax	2.5	2.9
Net loan portfolio	18.1	15.5
Average monthly interest rate on loans to customers	5%	5%
Net margin ratio	25%	34%

<sup>8</sup> Net Margin Ratio: Net profit for the period to Interest and similar income.

<sup>9</sup> Cost to Income Ratio: Sum of Selling expense and Administrative expense to Interest and similar income.

	As of and for the year ended 31 December 2018  (Unaudited)	As of and for the year ended 31 December 2017  (Unaudited)
	(in Million EUR, except percentages)	
Cost to income ratio	21%	18%
<b>Poland</b>		
Profit before tax	(2.8)	(0.9)
Net loan portfolio	5.3	6.3
Average monthly interest rate on loans to customers	4%	3%
Net margin	-128%	-75%
Cost to income ratio	45%	70%
<b>Romania</b>		
Profit before tax	(1.1)	(0.8)
Net loan portfolio	8,3	3.4
Average monthly interest rate on loans to customers	3%	3%
Net margin	-41%	-137%
Cost to income ratio	62%	144%
<b>Bulgaria</b>		
Profit before tax	(1.2)	(0.5)
Net loan portfolio	9.1	2.6
Average monthly interest rate on loans to customers	3%	3%
Net margin ratio	-46%	-125%
Cost to income ratio	62%	147%
<b>Moldova</b>		
Profit before tax	0.1	(0.1)
Net loan portfolio	6.0	1.5
Average monthly interest rate on loans to customers	4%	4%
Net margin ratio	-4%	-143%
Cost to income ratio	36%	189%
<b>Albania</b>		
Profit before tax	(0.7)	(0.1)

	As of and for the year ended 31 December 2018  (Unaudited)	As of and for the year ended 31 December 2017  (Unaudited)
	(in Million EUR, except percentages)	
Net loan portfolio	0.8	0.0
Average monthly interest rate on loans to customers	3%	4%
Net margin ratio	-446%	-136,450%
Cost to income ratio	253%	150,900%
<b>Armenia</b>		
Profit before tax	0.3	-
Net loan portfolio	10.4	-
Average monthly interest rate on loans to customers	4%	-
Net margin ratio	15%	-
Cost to income ratio	25%	-
<b>Belarus</b>		
Profit before tax	(0.5)	-
Net loan portfolio	2.0	-
Average monthly interest rate on loans to customers	4%	-
Net margin ratio	-172%	-
Cost to income ratio	151%	-
<b>Ukraine</b>		
Profit before tax	(0.3)	-
Net loan portfolio	2.0	-
Average monthly interest rate on loans to customers	4%	-
Net margin ratio	-4,713%	-
Cost to income ratio	4,039%	-
<b>Uzbekistan</b>		
Profit before tax	(0.1)	-
Net loan portfolio	0.0	-
Average monthly interest rate on loans to customers	4%	-
Net margin ratio	-32,699%	-

	As of and for the year ended 31 December 2018  (Unaudited)	As of and for the year ended 31 December 2017  (Unaudited)
	(in Million EUR, except percentages)	
Cost to income ratio	32,448%	-

## 8. Auditors

The statutory auditors of the Group'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 and 31 December 2017 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.

Ernst & Young, *Société anonyme* is a member of the Luxembourg institute of auditors (*Instituts des réviseurs d'entreprises*).

## 9. 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 Group after the date of the unaudited interim consolidated financial information as at and for the six-month period ended 30 June 2019.

## IX. SELECTED PORTFOLIO INFORMATION

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 Group started operations in Belarus, Ukraine and Uzbekistan in 2018. There are no comparable data as of 31 December 2017.

The Group started operations in Armenia in 2018 by acquiring an existing company. Comparable data as of 31 December 2017 were not included for Armenia given that, at the time, it was not part of the Group. The Group started operations in North Macedonia in 2019 by acquiring an existing company. Comparable data as of 31 December 2017 and 31 December 2018 were not included for North Macedonia given that, at the time, it was not part of the Group.

The Group started operations in Kazakhstan, Kenya, Uganda and North Macedonia in 2019.

The tables below present key selected consolidated financial information for the Group as at and for the financial years ended 31 December 2018 and 31 December 2017.

### 1. Loan portfolio

	Gross receivables 31.12.2018	Allowance for doubtful debts 31.12.2018	Net receivables 31.12.2018	Gross receivables 31.12.2017	Allowance for doubtful debts 31.12.2017	Net receivables 31.12.2017
(in Million EUR)						
Latvia	41.4	(5.2)	36.2	33.3	(1.5)	31.8
Lithuania	26.7	(2.0)	24.7	20.9	(2.0)	19.0
Estonia	19.8	(0.9)	18.9	17.6	(0.8)	16.8
Georgia	26.0	(7.9)	18.1	19.2	(3.6)	15.6
Poland	8.7	(3.4)	5.3	7.2	(0.8)	6.4
Romania	9.5	(1.2)	8.3	3.7	(0.2)	3.5
Bulgaria	9.8	(0.7)	9.1	2.8	(0.2)	2.6
Moldova	6.5	(0.5)	6.0	1.6	(0.0)	1.5
Albania	0.9	(0.1)	0.8	0.0	-	0.0
Armenia	12.6	(2.2)	10.4	-	-	-
Belarus	2.1	(0.1)	2.0	-	-	-
Ukraine	0.1	-	0.1	-	-	-



	<b>Gross receivables 31.12.2018</b>	<b>Allowance for doubtful debts 31.12.2018</b>	<b>Net receivables 31.12.2018</b>	<b>Gross receivables 31.12.2017</b>	<b>Allowance for doubtful debts 31.12.2017</b>	<b>Net receivables 31.12.2017</b>
	<b>(in Million EUR)</b>					
<b>Uzbekistan</b>	0.1	-	0.1	-	-	-
<b>TOTAL</b>	<b>164.2</b>	<b>(24.3)</b>	<b>139.9</b>	<b>106.2</b>	<b>(9.1)</b>	<b>97.2</b>

## 2. Total loan portfolio by loan balance<sup>10</sup>

	As of 31 December 2018		As of 31 December 2017	
	Loan amount (in Million EUR)	% of portfolio	Loan amount (in Million EUR)	% of portfolio
<b>Outstanding Debt Amount Borrowed</b>				
Less than EUR 2 500	56,2	34%	34.6	31%
Between EUR 2 500 - 5 000	59,6	36%	40.1	36%
Between EUR 5 000 - 7 500	32.0	19%	21.7	20%
Between EUR 7 500 - 10 000	13.7	8%	9.9	9%
Between EUR 10 000 - 12 500	3.9	2%	3.3	3%
Over EUR 12 500	0.6	0%	0.6	1%
<b>Total loan portfolio</b>	<b>166.0</b>	<b>100%</b>	<b>110.1</b>	<b>100%</b>

## 3. Total loan portfolio by duration for which the repayment of loans are delayed<sup>6</sup>

	As of	As of
	31 December 2018	31 December 2017
	Loan amount (in Million EUR)	Loan amount (in Million EUR)
Not delayed	112.3	78.5
Delayed 1-30 days	26.5	19.2
Delayed 31-34 days	1.1	1.0
Delayed 35+ days (NPL)	26.2	11.4

## 4. Sale of repossessed car from agreement termination date

	As of	As of
	30 June 2019	31 December 2017
<b>Sale of repossessed car from agreement termination date (in days)</b>	<b>32</b>	<b>57</b>

<sup>10</sup> 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

## 5. Classification of our loan portfolio<sup>11</sup>

	As of 31 December 2018		As of 31 December 2017	
	Loan amount (in Million EUR)	% of portfolio	Loan amount (in Million EUR)	% of portfolio
Performing loan portfolio	139.8	84%	98.7	90%
Non-performing loan portfolio	26.2	16%	11.4	10%
<b>Total loan portfolio</b>	<b>166.0</b>	<b>100%</b>	<b>110.1</b>	<b>100%</b>

## 6. Performing loan portfolio by product<sup>7</sup>

	As of 31 December 2018	As of 31 December 2017
	Loan amount (in Million EUR)	Loan amount (in Million EUR)
Vehicle loans	134.3	97.4
Installment/ payday loans	5.5	1.3
<b>Total loan portfolio</b>	<b>139.8</b>	<b>98.7</b>

## 7. Non-performing loan portfolio by product<sup>7</sup>

	As of 31 December 2018	As of 31 December 2017
	Loan amount (in Million EUR)	Loan amount (in Million EUR)
Vehicle loans	26.0	11.4
Installment/ payday loans	0.2	0.0
<b>Total non-performing loan portfolio</b>	<b>26.2</b>	<b>11.4</b>
Value of loans issued	318.0	239.2
Non-performing loans as a share of value of loans issued	8%	5%

<sup>11</sup> 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

## 8. Allowance for loan losses<sup>12</sup>

	As of 31 December 2018		As of 31 December 2017	
	Loan amount	Allowances for loan losses	Loan amount	Allowances for loan losses
	(in Million EUR)			
<b>Non-performing loan by product:</b>				
Vehicle loans	26.0	16.2	11.4	5.8
Installment loans	0.2	0.1	0.0	0.0
<b>Total non-performing loan portfolio and allowances</b>	<b>26.2</b>	<b>16.3</b>	<b>11.4</b>	<b>5.8</b>

<sup>12</sup> 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

## **X. BUSINESS**

### **1. Overview**

Mogo is one of the largest European used car finance providers based on market share having financed more than 64,000 vehicles. Mogo offers financial leasing and leaseback financing products to its customers with a term of up to 84 months via websites, mobile channels and a broad dealer/broker and branch network. Mogo launched a new installment loan product in Latvia and in Estonia in October 2017 and November 2018 respectively. Customers of Mogo are mainly consumers and small and medium enterprises who prefer to own used vehicles that are not financed by traditional bank loans due to low size tickets and entail complicated IT solutions. The convenient and fast process offered by Mogo is highly valued by the customers.

The proven business model of Mogo is built around high demand for quality second hand vehicles in Central and Eastern Europe 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 Mogo has unlocked a niche market for financial services and is a first mover in this sector benefitting from economies of scale and competitive advantage.

Longo's business model is based on offering good quality product with a high service level in the used car sales market segment which in Eastern Europe (and in the Baltics in particular) is dominated by large number of small entrepreneurs and is characterized with a product reliability and trust issues. This can be achieved by controlling end to end process from sourcing to sales, and offering same similar sales experience as it is accustomed in new car sales.

Mogo's two main products are financial leasing, where the services of Mogo are used by customers to acquire the vehicles, and leaseback financing, where the customer sells and leases back to Mogo the vehicle that it owns. One of the key competitive advantages offered by Mogo is the ability to underwrite, score, scrutinize the vehicle and complete the financing and title change process in a very timely manner.

Mogo uses diversified marketing channels to reach out to potential customers. The marketing strategies are tailored made and specific to the country, where the loans will be originated stretching from traditional mass media (including television and radio) to digital channels, SEO techniques and affiliates). Mogo 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 group. 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 Mogo's proprietary scoring models. In addition, Mogo has created automated instant car valuation models. The models are flexible and can be adjusted to changes in the markets and environment, allowing Mogo to adapt quickly and to maximize existing opportunities. The investments in IT and the underwriting process enables Mogo 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. Mogo has the ability to change the title to the car in a short period of time and are physically inspecting all vehicles that are funded. With an excellent customer service delivered through a network of call centers and branches in all operating countries Mogo ensures high customer satisfaction. Mogo has established an efficient debt collection process to maximize the recovery rate from the loans including the sale of the financed cars.

With the group headquarter located in Riga (Latvia), Mogo currently operates through local entities in seventeen countries, *i.e.*, Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Bulgaria, Moldova, Albania, Belarus, Armenia, Ukraine, North Macedonia, Uganda, Kenya, Kazakhstan and Uzbekistan, of which fourteen where the local entities actively issue loans as of 30 June 2019. In all countries of operation Mogo offers leasing and / or leaseback loans. In addition, Mogo offers installment loans in Latvia and Estonia, although as part of the strategy it is planned to expand this offering throughout the international network of Mogo. Installment loans represent 5% of the net loan portfolio as of 30 June 2019.

The largest markets by volume of loans originated currently are Estonia, Latvia, Lithuania, Georgia and Armenia, which together accounted for 66% of the net loan portfolio as of 30 June 2019. As of 30 June 2019, the net loan portfolio was EUR 161.4 million compared to EUR 139.9 million as of 31 December 2018. In the first six months of 2019, Mogo generated profit before tax of EUR 3.1 million and net profit of EUR 3.3 million. In the first six months of 2018, Mogo generated a profit before tax of EUR 2.0 million and a net profit of EUR 2.1 million.

## **2. Strategy**

Mogo's strategy is to become the global leading leasing and leaseback company focusing on used car financing. This will be achieved by profitable growth built on four main pillars: (i) established countries, (ii) recently launched markets, (iii) potential new markets and (iv) diversified financing.

The main customer base and portfolio concentration currently is in Latvia, Lithuania, Estonia and Georgia. Whilst Mogo is the market leader in the segment of used car financing in these four countries, there is still room for further growth with continuous investment in brand awareness and development of partners' network thus increasing both loan volumes and sizes.

In all other recently (within last three years) launched markets, Mogo is continuing a very moderate and controlled growth that will be ramped up once Mogo has an in-depth knowledge about full customer sales and debt collection cycles. Growing portfolios with positive unit economics will lead to economies of scale and profitability in the recently launched markets in the near future.

Mogo also aims to further expand its business in the Central Eastern European region, Central Asia and in the Baltics, which still offers plenty of opportunities and untapped market potential, particularly in the used car financing segment. Each new potential market entry is preceded by rigorous country studies before a decision is actually taken whether to enter in such market.

Longo's strategy is to become the go-to shop in the Baltics for used cars sale in the lower price range (under 10,000 Euro). This will be achieved by having largest stock, maintaining high customer satisfactory levels and first in the market offering warranties on cars sold in the mentioned price range (e.g. currently more than 60% of cars are sold with 2 month limited warranty).

The backbone of the growth of Mogo is to have access to diversified and efficient funding sources. Diversification in the capital structure is the key for further growth in the future including the issue of senior secured bonds. Such funding source provides the benefits of having a very stable investor base as well as achieving immediate cost optimization by refinancing more flexible but expensive debt like marketplace and peer to peer loans.

### **3. Key Strengths**

#### *Proven and sustainable business model*

Mogo focuses on secured lending via finance leasing and leaseback against the title of the vehicle. The vehicles funded by Mogo are high quality used vehicles (top three car makers financed by Mogo are BMW, Mercedes 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 title to the vehicle, Mogo can always sell the vehicle should a loan be in a default.

Mogo 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 Mogo an efficient assessment of the counterparty risk. The approval rate is extremely rigorous: in the first six months of 2019, out of approximately 500,000 applications received Mogo has kept an average approval rate of 9%..

Mogo has created a sophisticated automated car evaluation. The underlying data in the tool is regularly refreshed through an automated process from leading local online car sale webpages and takes into account a large number of parameters, including car model, maker, year, transmission, mileage, engine type, engine size and others. Mogo automatically and instantly assesses the value of the car by integrating relevant databases such as state authority databases, manufacturer records, stolen vehicles and accident databases, while requesting detailed technical information about the car and comparable screening criteria by reviewing main virtual car marketplaces in each country.

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

Mogo is a leading player in the segment of European used car lending with a unique reach across a large number of European markets. Mogo's presence is ensured by a large network of branches in these countries as well as a widespread network of brokers and used car sales dealers. Mogo uses traditional and digital marketing channels. Mogo benefits from the high visibility that its marketing has helped to develop and the investment in marketing technologies enables Mogo to target the most efficient marketing channels in each of the operating countries. While Mogo 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.

Mogo has a proven track record and has developed a strong know how that allows its flexible business model to be implemented into new markets in a relatively easy and efficient way by leveraging on its knowledge and technology resources.

#### *Simple and transparent product offering*

The Mogo 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). For the products in relation to financial leasing and leaseback, customers are charged a nominal interest and fees in the range of 1.5%-5.5% per month, payable monthly on the outstanding principal payable. While penalty interests are

charged for delayed loans, this is a minimal proportion of the income and shows the resilience of the customer base. Mogo applies transparent fees.

The design of the Mogo 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 whether a financing product, subject on the jurisdiction of the given customers and product type, will be offered in approximately six to seventy five minutes after submitting an application. The customers value the Mogo services as an important component of their personal finances because of the convenience and transparency of the products compared to other available alternatives.

#### *Large physical footprint 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, Mogo has put in place dedicated partner account managers and specific partner programs in order to establish a business relationship with used car sellers. The Mogo brand is then promoted when a potential customer approaches the car seller with an inquiry about available financing options. As of 30 June 2019 Mogo entered into cooperation contracts with more than 1800 car dealerships.

As of 30 June 2019, Mogo had 97 branches in 15 countries, which are strategically located to facilitate the needs of the customers.

#### *Innovative, data-driven business processes*

Mogo 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 physical footprint. In addition, the IT systems have demonstrated a track record for reliability and performance. Mogo 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.

Mogo 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 Mogo is increasingly sophisticated and enables a dynamically adjust investment in different marketing channels to optimize the amount and type of traffic directed to the Mogo 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 Mogo with proprietary credit scoring models containing anonymized information from over 1.0 million loan applications (as of 30 June 2019), including both traditional and alternative data points, provides valuable insight into customer attitudes and behaviors in the existing markets. Since the inception until 30 June 2019, Mogo has issued loans in the aggregate amount of EUR 405 million and, as of 30 June 2019, Mogo had reached more than 100 thousand registered customers. Mogo continuously learns and analyzes customer behavior patterns in all



the markets where it operates, and applies and tests this experience when entering into new countries.

The dynamic credit scoring model aims to ensure that Mogo captures the highest quality and potentially most profitable customer base in the existing and prospective markets. Mogo 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 10% as of 30 June 2019, compared to 8% as of 31 December 2018. Such ratio takes into account the rate of non-performing loans as of a specific date (for example, 30 June 2019) as a percentage of loans issued since the inception of Mogo.

#### Real time car valuation

For the purpose of evaluating the used cars, Mogo has internally developed a state-of-the-art solution with multiple integrations with different databases, such as state transport authority databases, stolen vehicle databases, accident databases, manufacturer records and others. This approach allows Mogo to obtain detailed technical information about the vehicle and its legal status. Mogo has also developed integrations with main virtual car marketplaces in each country. While using these marketplaces Mogo is able to obtain comparable car screening data in the respective country and prepare an instant car valuation.

#### Customer service with focus on high customer satisfaction

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

Mogo has developed a customer service division amounting to 334 full-time specialized employees as of 30 June 2019, delivering increasingly convenient customer support in local languages across all markets. Mogo 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, Mogo carefully monitors different customer service quality ratios, such as call waiting minutes and abandoned calls. Customer service quality is one of the reasons for customers who wish to access credit again to return to Mogo.

#### Established and efficient debt collection procedures

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

With the exception of Estonia, Mogo mainly handles all debt collection and car repossession activities in-house. Mogo has gained substantial expertise in debt collection strategies over the years. In certain countries, Mogo outsources parts of the debt collection activities to test and compare the efficiency of internal versus external debt collection. Mogo monitors the results of debt collection procedures and aims to implement the most appropriate and efficient procedure in each jurisdiction, thereby increasing the effectiveness of the debt collection process.

Mogo does not employ controversial cash collection practices, such as the use of continuous payment authority or the siphoning of monies from customers' bank accounts. Such practices are controversial and will or may become illegal in certain jurisdictions. Due to this fact, and also from a customer relations and loyalty

perspective, Mogo is of the view that the business model is more sustainable than those of other competitors that do engage in that type of debt collection practices.

With the exception of Estonia, the repossessed car sales process is handled mainly in-house. In Estonia the repossessed cars are sold via auctions and car lots. In certain newly established countries, parts of the repossessed car sales activities are outsourced to establish the most efficient repossessed car sales models and not to lose any collateral value at the very beginning of a new country operations phase. Mogo monitors the results of repossessed car sales procedures and implements the most appropriate and efficient procedure in each jurisdiction, thereby increasing the effectiveness of the repossessed car sales process.

#### *Strong financial position and unit economics*

Latvia, Lithuania, Estonia, Georgia and Armenia, have demonstrated strong cash flow and profitability characteristics, which are also the most mature countries as regards the total loan portfolio. In the first six months of 2019, a high net profit after tax margin and return on average assets of 29% and 11%, respectively has been reached. Mogo employs a conservative strategy regarding the maturity profile of the balance sheet.

Mogo operates with a highly efficient cost base and infrastructure. The cost to income ratio in Latvia, Lithuania, Estonia, Georgia and Armenia was 22% for the first six months of 2019. The total cost to income ratio of the Group has increased (to 44%) due to the introduction of the HUB structure and the development of the mid-tier and start-up markets recently launched by the Group. The revenue base is geographically diverse, which is a natural hedge of the financial performance against foreign exchange rate movements in other different markets. Mogo takes the view that this has supported the stable historic growth profile.

#### *Experienced management with proven track record*

The executive team and country managers of Mogo 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 Mogo both on the strategic front and in the development of new products. Their knowledge, experience and support are an asset for Mogo and provide Mogo with a significant competitive advantage.

## **4. Products**

### ***c. Financial Leasing***

Mogo offers financial leasing products ("**Financial Leasing**") to customers in all of the countries of operation. In a Financial Leasing Mogo purchases a vehicle that a customer (lessee) has selected, the lessee then can use the vehicle during the lease and pay series of installments. After the full principal repayment of the loan, the lessee becomes the legal owner of the vehicle. Mogo provides loans in amounts up to EUR 15,000 for a term of up to EUR 84 months. Mogo 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 Mogo's name. At that point the lessee becomes the holder of the vehicle while Mogo retains the legal ownership of it. Customers have the option to repay the loan before the end of the term. In each of the markets where Mogo operates, the nominal interest and fees levied ranges from 1.5% to 5.5% per month. Mogo applies an average 5% issuance commission, which is normally added to the principal amount

The table below describes key terms for customers of Financial Leasing in the countries of operation, ordered in accordance with the date of launch of operations in the respective countries. For the relevant websites used for the products, see “*Business— Intellectual property.*”

<b>Country</b>	<b>Launch Date</b>	<b>Product Name</b>	<b>Approx Minimum Amount (EUR)</b>	<b>Approx Maximum Amount (EUR)</b>	<b>Term (months)</b>	<b>Application</b>
Latvia	September 2012	Leasing	500	15,000	3 - 84	Online, offline (by phone or own branches), partners
Lithuania	July 2013	Leasing	500	10,000	3 - 84	Online, offline (by phone or own branches), partners
Estonia	August 2013	Leasing	500	10,000	6 - 72	Online, offline (by phone or own branches), partners
Georgia	June 2014	Leasing	350	9,000	3 - 84	Online, offline (by phone or own branches), partners
Poland	October 2016	Leasing	600	10,000	6 - 47	Online, offline (by phone or own branches), partners
Romania	January 2017	Leasing	1,100	9,700	6 - 60	Online, offline (by phone or own branches), partners
Bulgaria	March 2017	Leasing	1,000	10,000	12 - 84	Online, offline (by phone or own branches), partners
Moldova	September 2017	Leasing	500	10,000	12 - 84	Online, offline (by phone or own branches), partners
Albania	December 2017	Leasing	500	9,000	6 - 84	Online, offline (by phone or own branches), partners
Belarus	April 2018	Leasing	410	10,000	12 - 84	Online, offline (by phone or own branches), partners
Armenia	August 2017	Leasing	600	9,000	6 - 84	Online, offline (by phone or own branches), partners
Ukraine	September 2018	Leasing	2,300	8,200	12 - 84	Online, offline (by phone or own branches), partners
North Macedonia	June 2018	Leasing	500	10,000	12 - 84	Online, offline (by phone or own branches), partners

Uganda	May 2019	Leasing	976	9,031	6-60	Online, offline (by phone or own branches), partners
Kenya	April 2019	Leasing	875	8,750	6-60	Online, offline (by phone or own branches), partners
Kazakhstan	Januray 2019	Leasing	690	15,000	3-84	Online, offline (by phone or own branches), partners
Uzbekistan	December 2018	Leasing	2,000	9,800	13-60	Online, offline (by phone or own branches), partners

In all of the countries of operation, Mogo offers Financial Leasing via its internet platform, phone, branch or broker/dealer network.

**d. Leaseback**

Mogo offers leaseback products (“**Leaseback**”) in all of the countries of operation. In a Leaseback Mogo typically purchases the vehicle directly from the customer, the customer then continues to use the vehicle and pays monthly installments while Mogo becomes the legal owner of the vehicle. After the full principal repayment of the loan, the customer becomes the legal owner of the vehicle. Mogo provides loans in amounts up to EUR 10,000 for a term of up to 84 months. Mogo typically disburses the loan to the customer only once it has inspected the vehicle and received an official record about vehicle being registered under Mogo’s name. At that point the previous owner becomes the holder of the vehicle while Mogo retains the legal ownership of it. Customers have the option to repay the loan before the end of the term. In each of the markets where Mogo operates, the nominal interest and fees levied ranges from 1.5% to 5.5% per month. Mogo applies an average 4% issuance commission since inception, which is normally added to the principal amount.

The table below describes key terms for customers of Leaseback in the countries of operation, ordered in accordance with the date of launch of operations in the respective countries. For the relevant websites used for the products, see “*Business— Intellectual property.*”

Country	Launch Date	Product Name	Approx Minimum Amount (EUR)	Approx Maximum Amount (EUR)	Term (months)	Application
Latvia	July 2012	Leaseback	500	10,000	3 - 84	Online, offline (by phone or own branches), partners
Lithuania	May 2013	Leaseback	500	10,000	3 - 84	Online, offline (by phone or own branches), partners
Estonia	September 2013	Leaseback	500	10,000	6 - 84	Online, offline (by phone or own branches),

							partners
Georgia	June 2014	Leaseback	300	10,000	3 - 84		Online, offline (by phone or own branches), partners
Poland	August 2016	Leaseback	600	10,000	6 - 45		Online, offline (by phone or own branches), partners
Romania	April 2017	Leaseback	1,100	9,700	6 - 60		Online, offline (by phone or own branches), partners
Bulgaria	March 2017	Leaseback	1,000	10,000	12 - 84		Online, offline (by phone or own branches), partners
Moldova	September 2017	Leaseback	500	10,000	12 - 84		Online, offline (by phone or own branches), partners
Albania	December 2017	Leaseback	500	9,000	6 - 84		Online, offline (by phone or own branches), partners
Belarus	April 2018	Leaseback	410	10,000	12 - 84		Online, offline (by phone or own branches), partners
Armenia	August 2017	Leaseback	600	9,000	6 - 84		Online, offline (by phone or own branches), partners
Ukraine	September 2018	Leaseback	1,500	6,100	12 - 84		Online, offline (by phone or own branches), partners
North Macedonia	July 2018	Leaseback	500	10,000	12 - 84		Online, offline (by phone or own branches), partners
Uganda	May 2019	Leaseback	610	9,031	6-60		Online, offline (by phone or own branches), partners
Kenya	April 2019	Leaseback	875	8,750	6-60		Online, offline (by phone or own branches), partners

Kazakhstan	January 2019	Leaseback	690	10,000	3-84	Online, offline (by phone or own branches), partners
Uzbekistan	February 2019	Leaseback	1,800	9,800	13-60	Online, offline (by phone or own branches), partners

In all of the countries of operation, Mogo offers Leaseback via its internet platform, phone or branch or broker/dealer network.

Both Financial Leasing and Leaseback are Mogo's core products and currently represent 91% of the total loan portfolio.

#### e. **Installment Loans**

Currently, Mogo offers installment loan products ("**Installment Loans**") to customers in Latvia and Estonia. The Installment Loans are unsecured loans in amounts of up to EUR 5,000 and for a term of up to 48 months. Installment Loans are typically amortized in monthly installments. As of 30 June 2019, Mogo charges a nominal annual interest rate between 0.99% – 8.05% per month. The customer may repay the outstanding loan balance in full at any time or make required minimum payments in accordance with the terms of the loan agreement.

The table below describes key terms for customers of Installment Loans in the countries in which Mogo operates.

Country	Launch Date	Product Name	Approx Minimum Amount (EUR)	Approx Maximum Amount (EUR)	Term (months)	Application
Estonia	November 2018	Installment	300	5,000	3 - 36	Online and offline (by phone or own branches)
Latvia	October 2017	Installment	50	3,000	3 - 48	Online and offline (by phone or own branches)

As of 30 June 2019, the average Installment Loan amount at issue was EUR 516.

Prospective customers may apply for Installment Loans either through Mogo's internet platform or at its branches.

Mogo expects to launch Installment Loans in other more established markets once it has significant experience and good quality customer base.

## 5. **Geographic Markets**

The revenues of Mogo are principally derived from operations in Estonia, Georgia, Latvia, Lithuania and Armenia which together accounted for 66% and 77% of its net loan portfolio as of 30 June 2019 and 31 December 2018, respectively.

Revenues are also derived from the other markets where Mogo operates, including Poland and Romania (since January 2017), Bulgaria (since March 2017), Moldova (since September 2017), Albania (since December 2017), Belarus (since April 2018), Armenia (since August 2017), Ukraine (since September 2018), Uzbekistan (since December 2018), Kazakhstan (since January 2019), Kenya (April 2019), Uganda (since May 2019) and North Macedonia (since August 2019). Mogo's management expects that the proportion of these markets in the loan portfolio will increase in 2019 and beyond, while existing core markets will continue to grow.

Before entering new markets, Mogo carefully considers local regulatory and tax issues, typically hiring international or local legal and/or tax advisors for advice on such matters. Mogo then also obtains general market research from its advisors on the new country market environment. Before starting operations, Mogo 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, Mogo starts to test the market and adapts its scoring and decision-making systems to the new country. In certain cases operations were started via a pilot company sponsored by Mogo but operating outside of the Group. While all existing pilot companies will be vertically integrated in the next future, operations in new countries will be established only through Group companies.

## XI. 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, Mogo has put in place dedicated partner account managers and specific partner programs in order to establish a business relationship with used car sellers. The Mogo brand is then promoted when a potential customer approaches the car seller with an inquiry about available financing options. Such partnerships are beneficial for both – Mogo and the used car seller – as they helps to reach Mogo’s customers at the core of the sales activity and they also help to drive the cars sales volumes of the car seller. As of 30 June 2019 Mogo entered into cooperation contracts with more than 1800 car dealerships.

### *Active car dealers per country*

	<b>Six-month period ended 30 June 2019</b>	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2017</b>
Latvia	75	71	206
Lithuania	69	113	250
Estonia	53	97	142
Georgia	204	317	415
Bulgaria	648	454	339
Romania	428	340	95
Poland	-	-	263
Moldova	24	17	12
Albania	68	20	2
Armenia	80	51	
Ukraine	-		
Belarus	76	18	-
North Macedonia	54	38	-
Uganda			-
Kenya			-
Kazakhstan	5	-	-
Uzbekistan	78	-	-
<b>TOTAL</b>	<b>1,862</b>	<b>1,536</b>	<b>1,724</b>

Mogo has established branches in strategic locations, such as close to the largest local car markets, near (or within) car registries – where the formalities for the



transfer of the car has to take place –, or areas with high population density. The branch employees are responsible for formalization of the customer contract, vehicle visual inspection and any other customer service related tasks including process of payments. As of 30 June 2019, Mogo had 97 branches in 15 countries, which are strategically located to facilitate the needs of the customers. This extensive branch network ensures the customer journey to be as smooth as possible with only few stops: first the used car seller, then the Mogo branch and, finally, the car registry office.

***Active branches per country***

	<b>Six-month period ended 30 June 2019</b>	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2017</b>
Latvia	8	10	11
Lithuania	6	8	7
Estonia	3	5	5
Georgia	13	12	12
Bulgaria	18	18	7
Romania	11	11	7
Poland	-	-	3
Moldova	6	5	3
Albania	7	5	-
Armenia	7	6	2
Belarus	7	4	-
Ukraine	1	-	-
North Macedonia	3	4	-
Uganda			-
Kenya			-
Kazakhstan	5	-	-
Uzbekistan	2	1	-
<b>TOTAL</b>	<b>97</b>	<b>89</b>	<b>57</b>

## **XII. MARKETING**

Mogo has invested in data-driven marketing analysis, allowing the deployment of an efficient marketing mix in each country and attracting potential customers in a targeted and performance based manner. Mogo's marketing spending for the year ended on 31 December 2018 was EUR 2.0 million, which constitutes 2% of total loans issued in 2018. Mogo follows a different marketing approach based on the peculiarities and competitive set of the relevant market. In Georgia, for example, TV advertising is an inexpensive way to get good coverage of the target audience and 65% of customers in 2018 came through offline channels and partnerships, while in Estonia the majority of customers are attracted through online channels. In addition, Mogo used a range of offline marketing channels besides TV, such as radio, advertising on billboards and public transportation, and sponsorships.

Mogo'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 Mogo 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 Mogo is made and being constantly upgraded and updated based on its customer information, such as lifestyle, needs, financial and social position, as well as specific market conditions that are unique in every market where Mogo operates: i.e., Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Bulgaria, Moldova, Albania, Belarus, Armenia, North Macedonia, Kazakhstan and Uzbekistan. In addition, the marketing strategy depends on the phase of development of Mogo's products in each country. When entering a new market, Mogo primarily employs performance based marketing channels to build initial interest and drive customers to the relevant products while the risk profile and the website conversion is optimized and the partnership, branch and broker network are built. As Mogo realizes favorable unit economics different brand building marketing activities are also considered in order to establish top of mind brand in the segment.

As part of Mogo'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 others.

### **1. Marketing organization and development**

Mogo has invested in a strong marketing team which contributes to the development of the most efficient marketing solutions in each country as well as attracts potential customers in a targeted and engaging manner.

As of 2018, Mogo decided to move most of the marketing-related operations in-house. This helps the acceleration of Mogo's marketing activities growth as well as a faster reaction to changing landscapes. Mogo currently has two marketing teams in its headquarters: one that works with Baltic States, and the second one works with all the other countries where the services of Mogo are provided. The current marketing team is a group of professionals with Europe and USA market experience and proven track record. Mogo is planning to expand its team of marketing professionals

in order to have country-focused marketing teams in the headquarters or operating directly in the local offices.

Mogo is also collaborating with third parties - top local marketing agencies that are aware of the current marketing situation in each local market. This allows Mogo to deploy the most efficient marketing tools tailored to each specific geography and customer segment.

There are also dedicated local teams that deal with tactical and operational marketing activities, such as providing content and organizing marketing activities in cooperation with local marketing agencies and other service providers.

## **2. Potential customers**

Mogo's potential customers are consumers and small and medium enterprises that use alternative financial services and prefer to own used vehicles that are not financed 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 Mogo 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. Mogo's customers value the convenience and the fast and easy process offered by Mogo.

## **3. Below The Line (BTL) Marketing channels**

### **a. Search Engine Marketing**

Mogo uses Google, Yahoo, Bing and other local specific search engine paid content ads or unpaid searches in order to reach potential customers who are looking for financing products. It is important for Mogo to reach the top positions at these search results, but at the same time to be effective and profitable. In Latvia, for example, Google search provides up to 40% from the total amount of potential customer traffic.

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 Mogo's websites. Mogo 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 Mogo'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. Mogo uses Facebook ads to attract potential customers by showing them the best and most appealing offers and financial solutions. With Instagram ads Mogo drives awareness and increases its customer base through visuals.

To reach potential customers in Georgia, Bulgaria, Moldova and Belarus, Mogo also uses social media networks that are popular and widely used in these countries.

### **c. Display ads**

The potential customers of Mogo can find information about financial solutions in different global and local online media sources, such as car portals, blogs and news websites. Mogo works with these global and local media channels to offer their

visitors what they might be looking for, by strategically showing Mogo's image format messages (banner ads) to potential customers at the right place and the right time.

Mogo uses also Google Display Network and other display networks 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 behavior. YouTube is a part of Google Display Network where Mogo is placing not only banner ads, but also video ads.

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

#### ***d. E-mail and SMS marketing***

To retain customers or upsell Mogo 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.

#### ***e. Affiliate marketing***

Instead of buying ad impressions or clicks, Mogo's affiliate partners and networks are generating leads and online sales for its purposes. Affiliate publishers include a range of companies from financial comparison websites to content and e-mail marketing companies or individuals that create financial information and guidance with a link for customers to apply for related products. The affiliate/publisher gets rewarded on fixed commission models such as CPL (cost per lead) – website application and CPS (cost per sale) – issued loans. This is one of the most accountable and essential digital marketing channels because publishers are responsible for driving traffic to their own assets using own investments and digital marketing strategy. In this case, Mogo as a lender company must provide additional marketing awareness and educational support in above the line (ATL) and other digital channels such as social media, brand awareness etc., to make affiliate program more successful.

As affiliates are investing resources to deliver traffic to Mogo, the commissions paid to them must be competitive as well as profitable for them so that affiliates are motivated to continue to work as Mogo's affiliate partners and promote its financial services. Mogo has its own affiliate marketing engine that is a first-party platform allowing the retention of direct relations with the most valuable and competitive affiliate partners and saves the cost of an intermediary network. As a result, Mogo's affiliate program is more effective, building strong long-term relationships and a good reputation for the affiliate program in general.

#### **4. Above The Line (ATL) Marketing channels**

Mogo also conducts effective ATL advertising campaigns to increase awareness, drive trust, provide messages of reassurance, and simply to be right next to its customers. The media approach and investment varies by market and competitive set in that market.

Television and radio are the most used channels where Mogo 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.

### **XIII. UNDERWRITING AND REVIEW**

#### **1. Overview of the underwriting and review process**

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

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

In the sector of Financial Leasing and Leaseback services, Mogo is proud of internally developed state-of-the-art solutions for automated car valuation and client scoring. Car valuation tool has integrations with state authority databases, manufacturer records, stolen vehicles and accident databases as well as main online car marketplaces to make a valuation based on all comparable screening criteria available in the market.

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 and, in case of Financial Leasing and Leaseback products, vehicle and seller information.

Each customer's identity is checked at Mogo or partner's branches and, typically, each vehicle is physically inspected by Mogo customer service team or authorized partners before loan issuance. For Installment Loans, customers are identified either through physical identification and document check, or through third parties - bank authentication and bank transfer from customer account - or, third option, through electronic identification, where the customer is requested to log in to their existing internet third-party bank account and the third-party bank provides customer identity information to Mogo which is then used in order to check against the registration information provided by the customer.

The underwriting process is mostly performed automatically using Mogo'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. The day-to-day underwriting process is handled by local offices in each country of operation.

Typically, with few country-specific exceptions, the 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 (in case of Financial Leasing and Leaseback products) and finalizing loan terms
4. Final loan approval and loan issuance

## **2. Loan application processing**

In every country Mogo operates, the underwriting process is automated to the maximum possible extent. The issuance policy in each country 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 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, in case of secured loans, vehicles are automatically valuated. During the loan application processing, the most important steps are the verification of the customer’s eligibility for Mogo’s financing, based on the information related to the customer’s financial, economic and reputational information and also based on the financing terms applied (advance payment, length, exposure, type of vehicle being financed). After such steps are successfully completed, the 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 analyzed, customer indebtedness calculated and evaluated. The internally developed scoring tool, while taking into account parameters designed for each local market and being in compliance with local regulatory requirements, gives a clear score that enables an informed granting decision. With the increase of the loan portfolio, the scoring models are updated with newly available data.

## **4. Vehicle inspection (in case of Financial Leasing and Leaseback)**

With respect to Financial Lease and Leaseback, typically, vehicles are physically checked by Mogo customer service team or authorized partners before a decision on the loan application is taken. Final adjustments on the loan amount and other terms are made and documents to be signed are automatically generated.

## **5. Final loan approval and loan issuance**

The terms of Mogo’s loan agreements are adapted to each jurisdiction specific requirements in order to comply with local laws and regulatory guidance. Such adjustments may cover 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 depending on the country of operations and the product loan, i.e., for each jurisdiction Mogo uses the most efficient method that allows entering into a legally binding loan agreement.

The loan disbursement process depends on the product. In case of Installment Loans or Leaseback products Mogo generally uses bank transfers, which are usually performed automatically by way of batch payments. For Financial Leasing products, after the customer has made a down-payment, Mogo makes a bank payment directly to the seller of the vehicle.

## XIV. PORTFOLIO MANAGEMENT

### Customer Service

Mogo has developed a customer service division amounting to 815 full-time specialized employees as of 30 June 2019.

Mogo has established a dedicated customer service organization in each market where it has operations. This allows the provision of customer-focused service in line with local specifics and market practice. To ensure consistent quality of customer service operations across the group, a developed group-wide customer service standard has been developed, which includes (i) customer service and quality principles, (ii) best practices and requirements for managing customer service departments, and (iii) internal procedures for each country operations to ensure effective knowledge sharing and continuous improvement of operations. On a daily basis, the customer service 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.

Mogo'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. Mogo's customer service employees are highly trained specialists able to serve the customers without any hand-offs by leveraging Mogo's sophisticated IT platform and deep expertise in the products of Mogo.
- 2) *Speed*: Critical success factor to Mogo's car loan business is being able to give a binding car loan offer to the customer within a short period of time (approximately six minutes). Mogo 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*: Mogo has established branches in strategic locations, such as close to the largest local car markets, near (or within) car registries, or areas with high population density. Given that the process requires to check the car prior to the loan issuance, convenient locations greatly improve customer experience and convenience. Furthermore, Mogo's branch network offers high visibility to most important areas where used car sales happen.
- 4) *Ease of access*: Mogo is accessible by phone, web, e-mail, chat, social networks, at its branches and partner's branches. This setup gives Mogo's customers a wide range of convenient contact options and allows Mogo to drive customer conversion rates.
- 5) *Local Call Center*: Mogo has a dedicated and fully-staffed customer service center in each market where it operates. 95% calls are answered within 10 seconds or less. To ensure efficient management of peak periods and high employee utilization, the branch employees of Mogo serve as virtual call center specialists when there are no customers to serve in person at the branch.
- 6) *Procedures*: Mogo has rolled-out detailed client service procedures in all its markets. Procedures are tailored 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 central

operations team 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.

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

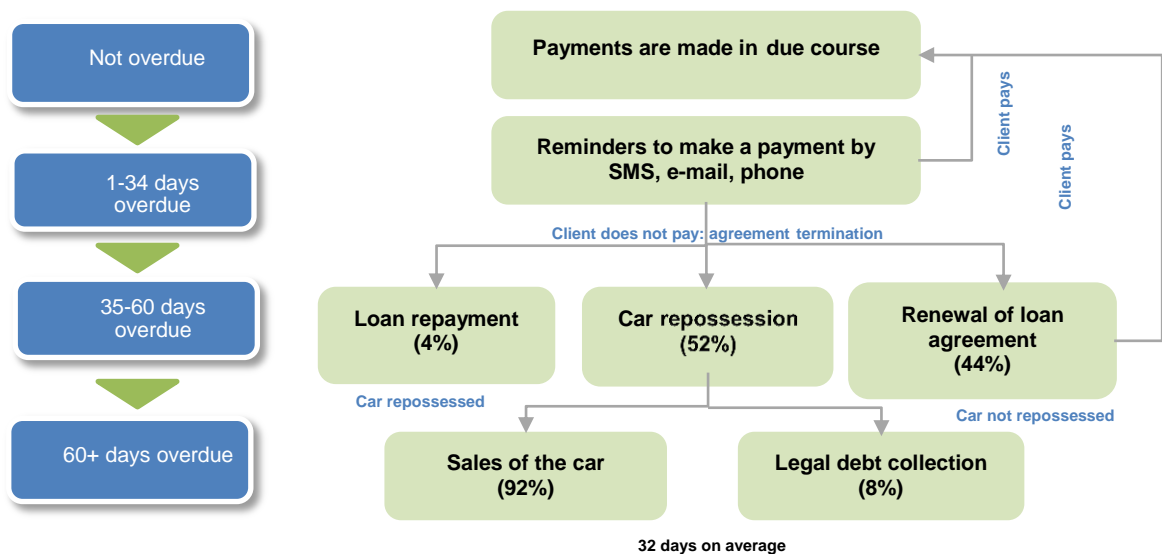
The strong customer service department and high quality processes resulted high client retention, whereby 13.5 thousand customers (out of 62 thousand customers who repaid / early repaid a loan) have applied for another loan from Mogo.

Mogo uses several offline channel partners for the loan issuance process, depending on the country of operations and cooperates with partners who, depending on the country, may facilitate part of its customer identification and underwriting process. Internally processes of risk evaluation, vehicle assessment, fraud detection, scoring and loan approval process are kept in all the markets where Mogo operates. Partners may be involved in the process of application and documentation submission, vehicle inspection and loan document signing. The typical partners for Financial Leasing and Leaseback products are broker firms and used car dealers.

Debt collection

Mogo has established an efficient and effective debt collection process in each country where it operates. Mogo has a dedicated team in each country and follows debt collection practices which are fully compliant with local regulations. Mogo's strategy is focused on maximizing the dialogue with customers. When Mogo assesses that a customer can repay its loan, it offers various options and tailors the offers to such customer. When Mogo 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 months**





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

- 1) Before the loan becomes overdue, Mogo has an automated reminder process that ensures that the client is aware of upcoming payment and payment details.
- 2) When the payment is 1-34 days overdue, Mogo launches its automated reminder system (auto-calls, texts, e-mails) informing the customer about the overdue amounts, the further actions if payment will not be made, and Mogo's contacts to discuss the potential options. Mogo constantly monitors the effectiveness of the automated system. In addition, Mogo involves its in-house debt collection specialists that call all debtors from a certain day (as early as day 6 in some countries).
- 3) The overdue loan is terminated after 35-60 days (depending on country legislation) upon which the debt specialists of Mogo offer the customer to renew the agreement, repay the loan or voluntarily return the vehicle. When this approach is not successful, Mogo'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 Mogo's car lot, which, in mature jurisdictions (i.e., Latvia, Lithuania, Estonia, Armenia and Georgia) takes 32 days on average (calculated since 1 January 2019 until 30 June 2019). The outstanding debt (if any) is then recovered through an unsecured recovery process of Mogo and / or sold to external debt recovery agencies (depending on the country).

To ensure consistent quality of debt collection operations across the group, Mogo has developed group-wide debt collection service standards that include (i) debt collection principles, (ii) best practices and requirements for the debt collection department and (iii) internal procedures for each country in order to ensure effective knowledge sharing and continuous improvement of operations. On a daily basis, the debt collection 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. The result is that Mogo typically recovers 90+% of non-performing loans in the car lease segment through either repossessing the car, renewing the loan, buyout or settlement with the customer.

## **XV. INFORMATION TECHNOLOGY**

The IT department of Mogo supports the full lifecycle of product development and optimization. Mogo 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*

Mogo 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. Mogo 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 Mogo sets up one of its two systems and aligns the IT processes to obtain business process similarities across countries of operation. This approach ensures that Mogo'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, Mogo 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 Mogo 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, Mogo has to retain a certain degree of flexibility in order to secure leading market positions in the countries where it operates. Mogo's IT systems are easy customizable without breaking business processes. Mogo does not distribute business processes across multiple systems and platforms but rather focuses on building systems relying on loosely coupled processing modules. Similarly, Mogo avoids expensive batch processing, instead it makes calculations just in time and splits work into smaller parcels.

The IT engineering team of Mogo is a mix of experienced developers and testing engineers, all focused on delivering stable solutions. The IT engineering team of Mogo 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.

Mogo has embedded proven test practices in the area of test automation and strictly controlled pipeline update deployments. 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.

### *IT Practices*

The systems of Mogo are flexible and agile, with a solid and robust infrastructure. Mogo has built a unified network infrastructure and IT security system that are centrally controlled by the Group IT team. Mogo 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 Mogo's production system installations reside in one of the two locations selected by Mogo: the Private Data Center provided by DEAC, a leading data center operator in the Baltics, or Amazon AWS infrastructure (Mogo uses the Frankfurt location with all 3 available availability zones). In both locations, Mogo follows the best practice of setting up dedicated IT resources and isolating data into clusters. There is a dedicated cluster for each country that is independent and autonomous from others, Mogo does it in order to avoid cross dependencies and ensures data isolation thus complying with regulations and increasing the level of IT system security.

#### Data Backup Strategy

The backup strategy of Mogo supports fast data recovery in case unplanned disasters occur. Mogo follows the classic approach of having backup data securely stored in 3 levels: on machine, on-site and off-site. Data are always stored separately from the processing systems in order to increase security and system stability. Mogo 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 analyzing 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 (the leading BI tool according to Gartner Magic Quadrant for Analytics and Business Intelligence Platforms in 2016 and 2017) is selected as 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.

## **XVI. CREDIT AND RISK MANAGEMENT**

### **1. Risk management**

The policy on the management of significant risks developed by Mogo 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 Mogo.

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

Mogo 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 Mogo must manage. The Credit Risk identification is performed based on two approaches:

- During the loan application assessment stage, upon customer selection and loan application analysis.
- During the stage subsequent to the granting of the loan, throughout the implementation of the loan 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 Mogo'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).

The monitoring of the above risks implies:

- The monitoring of the interest rate evolution and the correlation thereof between assets and liabilities/margin analysis.
- 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 fair value evolution for the collateral portfolio.

**c. The Operational Risk**

The operational risk 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 Mogo 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) non-compliance with the requirements set forth by local authorities. Mogo reputational risk monitoring is performed e.g. by monitoring of the local and central media, monitoring Mogo'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.

## **XVII. COMPETITION**

Mogo has very limited competition in the markets where it operates due to the lack of companies specializing on purely used car lending. Furthermore, used car lending is not the immediate market segment the typical unsecured lending company would target, mainly due to the required physical presence and relationship with used car dealers.

In certain markets Mogo would also compete with financial institutions, such as banks, credit unions and other consumer lenders offering similar financial services offering unsecured loans that can be used for car purchase.

### ***Latvia***

The used car lending market in Latvia is split in two markets with lending companies that register vehicle titles under their names like Mogo, such as 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. Mogo is the largest player in the used car lending market with companies that register vehicle titles under their names, while Big 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 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 6 (six) months, covering only costs of defects during the used period, if any. Currently in the used car rent segment AS "Renti" has no direct competitors therefore AS "Renti" competition consists mainly of the companies within the used car lending market as described above.

### ***Lithuania***

The vehicle loans market in Lithuania is gradually growing year by year and in 2013, when the company was established, an additional impulse was given to this market by the offering of more flexible products. The market is highly regulated by local regulatory authorities and the last major changes in the regulatory framework were introduced in 2016. Within the particular non-banking vehicle loans market where Mogo operates Mogo is the leading and steadily growing market player with only several small direct competitors like UAB "Sotero LT". Big consumer credit companies, such as Bigbank AS and General Financing, UAB are also positioning some of their products as vehicle loans, but in fact these players are more in competition with companies from the banking sector.

### ***Estonia***

According to publicly available information on the companies that provide online lending services to individuals and Mogo's brand tracking research, Mogo believes that its market share is significant. The direct competitors of Mogo in Estonia are Inbank AS and Bigbank AS as well as Autopant OÜ and Autolaen OÜ.

### ***Georgia***

After four years of operations in Georgia, the market is still developing and growing. There are approximately 1.1 million registered cars in the country. There is no shared information among competitors and the exact market share is not known, but Mogo believes that it is the market leader in used car financing in Georgia. Mogo's main competitors in Georgia are Eurocredit (eurocredit.ge), Swisscapital (swisscapital.ge), Starto (starto.ge owned by TBC Leasing) and Liberty Bank (libertybank.ge).

## ***Bulgaria***

The used car lending market is relatively young market and developed in the last 3 years. Mogo was one of the first players started the activities beginning of 2017 and being the first non-banking financial institution providing leasing for used cars national wide in Bulgaria. Two type of products are provided by Mogo to customers in Bulgaria which are the followings:

- secured loans (leasings) for purchase of used cars when leaser registers the vehicle titles under their names like Mogo Bulgaria and since 2018 - Amigo Leasing; and
- pure unsecured installment loans for car purchase, provided by BNP Paribas Private Financing and most of Bulgarian banks.

Currently Mogo is a market leader in segment of secured loans for car purchase, when BNP has the biggest share on the market in unsecured loans for purchase of used cars.

## ***Romania***

Financial institutions working in the similar market segment: Claret – similar product to Mogo, Credius / Icredit / TBI with pledge category product. The annual interest rate (APR) interval in Romania is from 24-25% up to 65-70% based on product description and target customer. Save for Mogo all the players from financial institution segment have also other business lines like:

- company lending business lines: credit lines with security over the cars - leaseback assimilated or car acquisition product; and
- general need loans - up to 15k EUR and up to 60 month tenor.

Most of the competitors are part of international financial groups, and are financed either by group shareholders or low value credit lines from Romanian Banks.

## ***Moldova***

The main competitors of Mogo are the following:

- Microinvest (the leading/largest non-banking financing organisation in the country, joint venture company with sound shareholders BFSE, SOROS Foundation Moldova, OIKOCREDIT and others. It has the largest target client focus: small business, short term consumer loans and starting from 2019 engaged in car financing);
- Iute Credit (a subsidiary of an Estonian company, specialised in issuing short term loans, but from 2018 engaged in car financing); and
- Credit Rapid and Express-Leasing (both non-banking financing organizations part of the American investment fund NCH Advisors, specialised in financing small business and in car loans, discontinuing leasing products).

## ***Albania***

Mogo is in competition in Albania in reference to the target group it serves with the followings:



- microfinance institutions which offer same amounts and tenors of loans but not on leasing approach but as consumer loans such as IUTE, NOA, Besa. They offer loans on yearly IR at 22% - 26% and process through “pledge” concept (collateral for the loan) and not car ownership change of the car; and
- leasing companies which has started to enter the “used car” market and are competitive on the price offered as long as most of them take cheap funds from their mother companies and/or associated banks (Raiffeisen, Porche, landeslease etc).

### ***Belarus***

The market is divided between banks and non-banking companies providing leasing services where the first one takes the lead. After 2014, when government regulation allowed private leasing, the situation started significantly to change. For example, the amount of private leased cars grows by approximately 30% per year. The top competitors are: from the Banks (Belgazprombank, BTA bank, RRB Bank, Prior bank); from the non-banking companies (Aktiv leasing, Alfa leasing, Micro-leasing and Rietumu leasing).

### ***Armenia***

There are approximately 500,000 registered cars in Armenia. After only a few months from its establishment, Mogo has become leader in the secondary car market financing in Armenia. There are only a few credit institutions that are funding the secondary car market, most of them are non-banking credit institutions. There is no shared information among competitors and the exact market share is not known, but Mogo believes that it is a leading operator in this market.

### ***North Macedonia***

The financial leasing market in the past two years has grown after a long term of stagnation. The total number of registered financial leasing providers in North Macedonia in 2019 is 7 companies and most of them are providing car leasing services. Leasing Company MOGO DOOEL Skopje is the last registered finance leasing company in the North Macedonian register of financial leasing providers in 2018. The major competitors of Mogo in the financial car leasing in North Macedonia are EUROLIZ AUTO DOOEL, PORSHE LEASING DOOEL and Sprakasse Leasing DOOEL which are existing for approximately 10 years in the North Macedonian market. Recently the non-banking vehicle loan market has been introduced in North Macedonia and although the non-banking vehicle loans are deferent products under deferent regulation than the car leasing products, they still remain very similar and targeting same group of customers so it may be said that the new vehicle loan providers are becoming competitors to the financial car leasing providers.

### ***Uganda***

Significant and increasing competition exists in Uganda for car financing products. There are small, few larger competitors for leaseback offering product for used cars, most are domestic companies without strong financing support. Financial leasing is offered by most of banks, but banks segment employed clients with very low risk profile, and do not finance segments Mogo targets. Used cars are also financed by dealers, but the dealers finance for much shorter duration, and typically at even higher interest rates.

### ***Kenya***

Significant and increasing competition exists in Kenya for car financing products. There are many small, few larger competitors for leaseback offering product for used cars, most are domestic companies without strong financing support. Financial leasing is offered by most of banks, but banks segment employed clients with very low risk profile, offering loans at no higher than 4% above the Central Bank of Kenya (CBK) base rate. Used cars are also financed by dealers, but the dealers finance for much shorter duration, and typically at even higher interest rates.

### ***Kazakhstan***

The car loans market in Kazakhstan is quite developed, and the most recent shift has been towards used cars due to the economic downturn. The Kazakh population tends not to buy new cars and instead focuses on used cars, which makes official car dealers explore trade-in opportunities. According to statistics, around 90% of the car fleet's age in the country is around 10 years or older.

So far, the market is not highly regulated since the auto-loan sector is not licensed, however, starting from 2020 the listing with the local National Bank will be required. At this point, we view as our competitors the following players whose interest is little below or equal to ours: (1) Kaspi Bank, (2) Eurasian Bank, (3) BNK Finance MFO and (4) Shinhan Finance MFO.

### ***Uzbekistan***

Car financing market in Uzbekistan is relatively limited, thus there is no direct competition for Mogo in the used car financing segment. The only party that finances used vehicles are street dealer's individuals that buy cars and lease them for period of up to three years, where the vehicle stays registered on their name until the loan is not paid out in full.

Mogo's comparative advantage in the market is fast and convenient service and possibility to get a loan approval online.

Leasing business is not regulated, therefore, Mogo is registered as LTD and no license is required.

After the first 8 months of operations in Uzbekistan, it seems that we have built a portfolio of good quality, since banks are very strict and high-quality clients are underserved in the market. A majority of the cars are locally produced due to high import duties on foreign vehicles.

## XVIII. INTELLECTUAL PROPERTY

Mogo's principal operating activity is the advance of Financial Leasing and Leaseback predominantly via our internet platform, phone, branches and broker/dealer network. The table below sets forth the websites currently used by the Group to provide its services through the internet platform. The content of these websites is not part of this Prospectus.

<b>Country</b>	<b>Website</b>
Latvia	<a href="http://www.mogo.lv">www.mogo.lv</a> <a href="http://www.mogogroup.com">www.mogogroup.com</a> <a href="http://www.mogoaffiliate.com">www.mogoaffiliate.com</a> <a href="http://www.longo.lv">www.longo.lv</a> <a href="http://www.renti.lv">www.renti.lv</a>
Estonia	<a href="http://www.mogo.ee">www.mogo.ee</a> <a href="http://www.longo.ee">www.longo.ee</a>
Lithuania	<a href="http://www.mogo.lt">www.mogo.lt</a> <a href="http://www.longo.lt">www.longo.lt</a>
Georgia	<a href="http://www.mogo.ge">www.mogo.ge</a>
Poland	<a href="http://www.mogo.pl">www.mogo.pl</a>
Romania	<a href="http://www.mogo.ro">www.mogo.ro</a>
Bulgaria	<a href="http://www.mogo.bg">www.mogo.bg</a>
Moldova	<a href="http://www.mogo.md">www.mogo.md</a>
Albania	<a href="http://www.mogo.al">www.mogo.al</a>
Armenia	<a href="http://www.mogo.am">www.mogo.am</a>
Belarus	<a href="http://www.mogo.by">www.mogo.by</a>
Ukraine	<a href="http://www.mogo.ua">www.mogo.ua</a>
Kazakhstan	<a href="http://www.mogo.kz">www.mogo.kz</a>
Uzbekistan	<a href="http://www.mogo.uz">www.mogo.uz</a>
North Macedonia	<a href="http://www.mogo.mk">www.mogo.mk</a>
Uganda	<a href="http://www.mogo.co.ug">www.mogo.co.ug</a>
Kenya	<a href="http://www.mogo.co.ke">www.mogo.co.ke</a>
Netherlands	<a href="http://www.longo.nl">www.longo.nl</a>
Belgium	<a href="http://www.longogroup.be">www.longogroup.be</a>

Besides the websites listed above we own other domains that we plan to use for business footprint expansion to other countries, launching new products and implementing other business ideas.

We have Mogo Finance figurative and word trademark registered in EUIPO under classification 36. We had previously registered trademarks locally in each country, i.e., we registered Mogo figurative trademark in Latvia, Lithuania, Estonia, Georgia, but from 2017 we have taken another approach and registered trademarks through WIPO for those countries which are members to it, while for the other countries we still register trademarks within the local trademark regulatory framework. At the moment we do not have open WIPO registration processes.

## XIX. REGULATORY FRAMEWORK

While the majority of our operating entities are financial institutions, we are not regulated as a bank, payment institution or e-money institution in any of our operating jurisdictions. The regulatory framework applicable to our operating entities varies depending on the jurisdiction in which we are operating. The relevant regulations relate to, *inter alia*, lending and leasing activities, consumer rights protection, the processing of personal data, debt collection and the prevention of money laundering and financing of terrorism.

In the following, we give an overview over the most relevant major regulations in the jurisdictions of our principal operating entities of the Group as of the date of this Prospectus:

### **Latvia**

AS “mogo” (Latvia) 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. 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.

### **Estonia**

mogo OÜ (Estonia) is a licensed lending (consumer lending) non-banking company in Estonia regulated and supervised by the Estonian Financial Supervision Authority. As from 2016 all consumer credit providers and intermediaries have to be licensed by the Estonian Financial Supervision Authority.

The most important laws regulating the business of mogo OÜ are: the Creditors and Credit Intermediaries Act in relation to capital requirements, internal procedures and requirements for providing services; the Consumer Protection Act in relation to general consumer protection obligations; the Law of Obligations Act in relation to contractual aspects of credit transactions, including consumer credit specific requirements (*inter alia*, provision of information, assessment of creditworthiness and limitations of the terms and conditions of the credit agreements), the Money Laundering and Terrorist Financing Prevention Act and the Advertising Act prescribing restrictions on advertising. In addition, the company must comply with the guidelines on the Estonian Financial Supervision Authority in respect to, *inter alia*, responsible lending, outsourcing and IT-systems.

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 General Part of the Civil Code Act and the Code of Civil Procedure.

### **Lithuania**

UAB “mogo LT” (Lithuania) is a leasing (consumer lending) non-banking company, approved and included in a Public List of Consumer Credit Providers handled by the Bank of Lithuania. Companies are able to provide consumer credit services in Lithuania only after inclusion in the Public list.

The company must comply with rules on consumer lending and consumer rights protection, stated in a consumer credit law and in the Central Bank guidelines on consumer lending, such as limitations on debt-to-income rate, average income amount, penalties and percentage, obtaining client data from specific registers, and criteria for termination of consumer agreements. Anti-money laundering requires all new clients to be identified physically or through approved technological solutions.

The major laws and regulations concerning the business of Mogo are: Law on Consumer Credit; Anti-Money Laundering law; Personal data protection law; Regulations on the Assessment of the Creditworthiness of Consumer Credit Borrowers and Responsible Lending; Regulations on the Assessment of the Solvency of Consumer Credit Borrowers; Consumer Credit Provision Guidelines.

### **Georgia**

Mogo LLC (Georgia) is a leasing non-banking company in Georgia, not requiring any license for leasing operations. There is no specific regulatory and or supervising body for such leasing activities in Georgia. It should be noted, however, that leasing companies (i.e. a company, which derives at least 70% of its total income from leasing activities) are subjected to anti-money laundering (AML) requirements by being included into the statutorily defined list of monitoring entities (entities that are

required to monitor and relevantly report transactions executed with involvement of their customers) and are therefore required to submit regular reporting to Financial Monitoring Service, an independent governmental agency in charge of AML compliance by relevant monitoring entities.

The existing legislative framework in the field of leasing is lessor-friendly. Georgian law since February 2019 sets a maximum annual percentage rate (APR) of 50%, but does not impose any mandatory requirements for co-financing of the leased property by the lessee or lessor. The major law for leasing and recovery of debts is the Civil Code of Georgia (Chapter Four) which is mainly used in relation to consumers. Georgian Consumer protection law mainly regulate consumer lending, but leasing is excluded from its scope.

In the sphere of consumers and protection of their rights, Georgia has to implement, by 2021, the EU directive on consumer protection in the indication of prices of products offered to consumers, the EU directive on unfair terms in consumer contracts, the EU directive concerning misleading and comparative advertising, as well as the EU directive on unfair commercial practices. The implementation of the EU directive on the protection of consumers with regards to distance contracts is also expected.

### ***Poland***

MOGO sp. z o.o. (Poland) is a leasing (consumer lending) non-banking company, approved and included in the Register of Lending Institutions handled by the Polish Financial Supervision Authority. Companies are able to provide consumer credit services in Poland only after inclusion in such register.

Legislation, in particular the Act on Consumer Credit, sets forth requirements in respect of the relationship between lending companies and their customers as they relate to marketing and remote selling of leases, advertisements of 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, as well as personal data processing and debt collection.

One significant piece of regulation for lending companies is the limitation on loan costs provided in the Act on Consumer Credit. These costs are divided into interest and non-interest costs (i.e., all costs that a consumer bears in connection with the loan contract).

All activities regarding consumers are supervised by the Competition and Consumer Protection Office. The Competition and Consumer Protection Office examines at random the practice of financial institutions (including creditors such as MOGO sp. z o.o. (Poland)) in terms of practices infringing collective consumer interests or illegal contractual provisions.

### ***Romania***

Mogo IFN SA (Romania) is a consumer lending non-banking company, with strict supervision from the National Bank of Romania. Mogo IFN SA is registered in the "Special Registry" and has to comply with some conditions similar to the ones applicable to banks (e.g., Mogo IFN SA needs to have an audit committee and a risk committee, and it needs to submit financial statements audited by top-tier auditors or at least by auditors acceptable to the National Bank of Romania).

The company must comply with the rules on consumer lending and consumer rights protection stated in the consumer credit law and Central Bank guidelines on

consumer lending. Among the limitations: debt-to-income ratio has to be reasonable; Mogo IFN SA may not grant credit without client proven fiscal income, and fees and penalties are strongly regulated.

### ***Bulgaria***

Mogo Bulgaria OOD (Bulgaria) is a non-bank financial institution, registered with the Bulgarian National Bank (the “**BNB**”). Its registered field of activity is the provision of leasing services and loans with funds which have not been collected as deposits from the public. In order to operate as a non-bank financial institution in the country, a company should be included/registered in the Special Registry of Financial Institutions administered by the BNB. The activities of the company are supervised by the BNB.

The company must comply with rules on consumer lending and consumer rights protection, stipulated in the Consumer Credit Law, Consumer Protection Law, and Law on Credit Institutions. Among other things, the Consumer Credit Law, stipulates the type of information that must be disclosed to customers upon contract signing and how advertising of consumer loan services could be performed. The company is a registered administrator of personal data with the Bulgarian Data Protection Commission. In addition, Mogo Bulgaria OOD must comply with Anti-Money Laundering regulation, and as such, is required to identify its customers, and report to local authorities suspicious transactions.

The major laws and regulations concerning the business of Mogo are: Law on Credit Institutions, Ordinance No 26 of BNB, Consumer Credit Law, Consumer Protection Law, Personal Data Protection Law, Anti-Money Laundering and Combating of Terrorism Financing Law.

### ***Armenia***

Mogo LLC (Armenia) is a licensed non-banking credit institution. Its license allows Mogo LLC to issue any type of loans. The financial sector of Armenia is regulated by the Central Bank of Armenia, and companies are able to provide any type of loan after receiving the license from the Central Bank of Armenia.

A cap on the annual interest rate is applied to non-banking credit organizations and to credit institutions. The Central Bank of Armenia also applies a cap on penalties for overdue payments.

The main Armenian laws and regulations applicable to the business of Mogo LLC are the Law on Credit Institutions, the Law on Consumer lending, the Law on Combating Money Laundering and Terrorism Financing, the Procedure on reporting to the Central Bank of Armenia, the Terms, forms and procedures of communication between financial organizations and consumers and the Law on Financial System Mediator.

According to Armenian law, depending on the report, credit institutions, including Mogo LLC have to present reports to Central Bank with weekly, monthly, quarterly and annually frequency.

### ***Ukraine***

Mogo Ukraine LLC (Ukraine) is a licensed leasing non-banking company in Ukraine regulated and supervised by National Commission for the Regulation of Financial Services Markets.

The activity of the Company is regulated by the Ukrainian regulation on provision of certain financial services by legal entities which are not financial institutions



according to their legal status. The Company has not been registered as a financial institution according to Ukrainian law but it is a financial company for the purposes of providing financial services.

In addition the business activity the Company is governed mainly by provisions of the following Ukrainian laws: the Ukrainian law “On Financial Leasing”, the Ukrainian law “On Prevention and Counteraction of the Legalization (Laundering) of the Proceeds from Crime, Terrorist Financing and the Mass Destruction Weapons Financing” (Anti-Money Laundering Law); the Ukrainian law “On Financial Services and State Regulation of Financial Service Markets”.

The Ukrainian law “On Financial Leasing” regulates relations based on financial leasing between a leasing company and a customer. The provisions of the law mostly apply to the relevant financial leasing agreements.

Pursuant to the Ukrainian law “On Financial Services and State Regulation of Financial Service Markets” the Company’s activity shall be supervised by the authorized state body – the National Commission for Government Regulation of Financial Service Markets. The Company is subject to registration with the National Commission for Government Regulation of Financial Service Markets. Financial leasing services can be provided only by leasing companies which are licensed by and registered with the relevant register of the National Commission for Government Regulation of Financial Service Markets. There is no minimum capital requirement for leasing companies. In addition, the Company must submit quarterly reports to the National Commission for Government Regulation of Financial Service Markets.

Pursuant to the Ukrainian Anti-Money Laundering Law, the Company must have proper monitoring procedures in place. The Company must be also registered with the State Financial Monitoring Service (Derzhfinmonitoring) and it has to report to the Derzhfinmonitoring any suspicious transaction according to the Ukrainian Anti-Money Laundering Law and the anti-money laundering regulation issued by the Derzhfinmonitoring and the Cabinet of Ministers of Ukraine.

### ***North Macedonia***

Leasing Company MOGO DOOEL Skopje (North Macedonia) is a leasing company, registered with the Central Registry of North Macedonia upon prior license issued by the Ministry of Finance of North Macedonia. Its registered field of activity is the provision of financial leasing services. The leasing companies in North Macedonia which provide financial leasing, are registered in the Registry of Finance Leasing Providers administered by the Ministry of Finance. The activities of the company are supervised by the Ministry of Finance.

The company must comply with rules on leasing, consumer lending and consumer rights protection, stipulated in the Leasing Law, Consumer Protection Law and Law on Consumer Protection in Consumer Loans. Among other things, the Leasing Law and the Law on Consumer Protection in Consumer Loans, stipulates the type of information that must be disclosed to customers upon contract signing and how advertising of the services could be performed. The company must comply with Anti-Money Laundering regulation, and as such, is required to identify its customers, and report to local authorities suspicious transactions. Additionally, the company is controller of personal data within the mining of Macedonian Personal Data Protection Law and supervised as such by the Directorate of Personal data Protection in North Macedonia.

The major laws and regulations concerning the business of Mogo are: Law on Leasing, Consumer Credit Law, Consumer Protection Law, Law on Consumer

Protection in Consumer Loans, Personal Data protection Law and Law on preventing money laundering and terrorism financing.

### **Albania**

Mogo Albania SH.A. (Albania) is a non-bank financial institution, registered with the Central Bank of Albania and operates under the law no 9396 date 12/05/2005 about "Financial Leasing". As commercial company it is registered as well at National Business Register (QKB) and has a NUIS L71528013A. As such we comply with Central Bank Regulation and Tax Legislation for car trading (financial leasing).

The main Albanian laws and regulations applicable to the business of Mogo Albania:

- Central Bank of Albania regulatory which includes: licensing of the activity as financial leasing, reporting on portfolio growth (lending practices) and quality (delinquency ratios), capital adequacy, management profiles and corporate governance structure;
- Tax law and regulation in reference of VAT applied for every lease transaction;
- Regulations of Road Directory in reference of being in compliance with rules and requirements about the cars conditions in the ownership of Mogo Albania;
- Client protection law in reference of transparency and all law requirements about the terms and conditions;
- Anti money laundry law; is required to identify its customers, and report in regular bases to local authorities suspicious transactions and/or source of funds for the business;
- Labour inspectorate; to be in compliance with labour code and work conditions mandatory to be fulfilled as employer and provide periodic reporting on no of staff, salaries, insurance paid etc.

### **Uganda**

Mogo Loans SMC Limited (Uganda) is a leasing (consumer lending) non-banking company and, requires a money lender license from Uganda Microfinance Regulatory Authority, in accordance with the Ugandan Tier 4 Microfinance Institutions & Money Lenders Act, 2016. Mogo Loans SMC Limited has received the Tier 4 license on 19 March 2019 which needs to be renewed every year. Tier 4 license allows to exercise activities of non deposit taking microfinancing.

### **Kenya**

Mogo Kenya Limited (Kenya) does not require any licence from any regulator, such as the Central Bank of Kenya, Kenya Revenue Authority, National Transport and Safety Authority among others in order to provide financial leasing or leaseback services in Kenya.

Financial leasing will fall under the non-deposit taking microfinance business category and will be regulated by the Microfinance Act, 2006 except that unlike deposit taking microfinance businesses under the Microfinance Act, non-deposit taking microfinance business have no specified regulations passed yet to regulate them under the Microfinance Act.

In Kenyan there are no regulatory restrictions and caps regarding the interest rate Mogo Kenya Limited can apply to its financial leasing and leaseback transactions.

### ***Kazakhstan***

TOO Mogo Kazakhstan (Kazakhstan) does not require any licence from any regulator in order to provide financial leasing or leaseback services in Kazakhstan.

In Kazakhstan there are no regulatory restrictions and caps regarding the interest rate TOO Mogo Kazakhstan can apply to its financial leasing and leaseback transactions.

### ***Uzbekistan***

OOO Mogo Lend (Uzbekistan) does not require any licence from any regulator in order to provide financial leasing or leaseback services in Uzbekistan.

In Uzbekistan there are no regulatory restrictions and caps regarding the interest rate OOO Mogo Lend can apply to its financial leasing and leaseback transactions.

### ***Moldova***

O.C.N. "MOGO LOANS" SRL (Moldova) carries out (leasing services) non-banking credit activities in Moldova. O.C.N. "MOGO LOANS" SRL has been registered, by 1 April 2019, with the Registry of National Commission for Financial Markets of Moldova in order to comply with all the requirements set by the Law on Non-Bank Credit Organizations No. 1/2018 in Moldova as regards to non-banking credit organization which entered into force on 1 October 2018.

### ***Belarus***

MOGO Credit LLC (Belarus) is a non-credit financial institution engaged in leasing activities in accordance with the Decree of the President of the Republic of Belarus under the strict supervision of the National Bank of the Republic of Belarus. MOGO Credit LLC (Belarus) is included in the register of leasing organizations of the National Bank of the Republic of Belarus and is obliged to regularly provide the National Bank of the Republic of Belarus and publish in the public domain reports on its activities, as well as on its financial condition. In accordance with the requirements of the National Bank of the Republic of Belarus, the company has established a procedure for assessing financial stability and the business reputation of the lessee, the liquidity of the leased asset, and risk management.

## XX. INFORMATION ABOUT THE ISSUER

### 1. General Information about the Issuer

#### ***Legal and Commercial Name, Business Address and Website***

The legal and commercial name of the Issuer is Mogo Finance.

The registered office of the Issuer is 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 website of the Issuer is <https://mogo.finance/>. 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 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 Issuer 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 Issuer, recorded through a notarial deed dated 28 May 2014.

The Issuer 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 Issuer***

Pursuant to Article 3 of the restated articles of association (*statuts coordonnés*) of the Issuer dated 6 June 2016 as amended pursuant to shareholder resolutions dated 12 October 2018 and shareholder resolution dated 29 October 2019, the Issuer’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 Issuer 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 Issuer 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 Issuer.

The Issuer 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 Issuer or is affiliated in any way with the Issuer, including companies or entities in which the Issuer 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 Issuer 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 Issuer 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 Issuer's business operations consist of providing financing to the Group companies. The Issuer is financed through its share capital, external debt and cash from the activities of the Group's operating companies. The Issuer'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 Issuer**

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

### **Investments**

For a description of the investments made by the Group, including the Issuer, please refer to Section "*Information about the Group - Recent Events and Trends*".

### **Corporate Governance**

In its decision making and administration, the Issuer applies the Luxembourg Company Law and the Issuer's articles of association.

The Issuer complies with its country's of incorporation corporate governance regime.

### **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 statutory auditor (*réviseur d'entreprises agréé*) of the Issuer, which has been appointed by a resolution of the general meeting of the shareholders dated 25 January 2018, is 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.

Ernst & Young, *Société anonyme* is a member of the Luxembourg institute of auditors (*Instituts des réviseurs d'entreprises*).

## **2. Share Capital and Shareholders of the Issuer**

The Issuer 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 Issuer as at the date of this Prospectus:

	<b>Details of the holder entity</b>	<b>Number of shares</b>	<b>%</b>
1	<b>SIA "AK Family Investments</b> , a limited liability company registered in the Republic of Latvia, company registration number under the Latvian Commercial Register 52103097551,	46,562,492	46.5625%

	having its registered office at Jūras iela 12, Liepāja, LV-3401, Latvia		
2	<b>AS Novo Holdings</b> , a joint-stock company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40103806598, having its registered office at Skanstes iela 52, Rīga, LV-1013, Latvia	15,520,836	15.5208%
3	<b>AS Obelo Capital</b> , a joint-stock company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40103806155, having its registered office at Skanstes iela 52, Rīga, LV-1013, Latvia	15,520,836	15.5208%
4	<b>LVS Limited</b> , a limited liability company registered in the Republic of Malta, registration number under the Malta Register C51156, having its registered office at 40, Villa Fairholme, Sir Augustus Bartolo Street, Ta' Xbiex XBX 1095, Malta	15,520,836	15.5208%
	<b>Sum</b>	<b>93,125,000</b>	<b>93.125%</b>

The shareholders of the Issuer entered on 5 May 2015 on a shareholders agreement, amended from time to time (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement provides that, among other things, (i) all 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 unanimously (provisions to overcome deadlock scenarios are foreseen); and (iv) limitation on the transfer of rights, tag-along, drag-along and right of first refusal.

In addition to the issued share capital, the authorized share capital of the Issuer is set at 1,500 EUR (one thousand five hundred Euro), represented by 150,000 (one hundred and fifty thousand) shares with a nominal value of 0.01 EUR (one Euro cent) each.

The board of directors of the Issuer is authorized, during a period expiring 5 (five) years after the publication of the deed of the extraordinary general meeting of the company held on 6 June 2016 in the “*Memorial C, Recueil des Societes et Associations*” (i.e., 22 June 2021, 5 years after the publication in the *Recueil Electronique des Sociétés et Associations*, which replaced the Memorial C as of 1 June 2016), to increase the share capital of the Issuer on one or several occasions by the issuance of new shares as a result of the exercise of the warrant held by BONRIKI HOLDINGS LIMITED, with or without share premium, against payment in cash, within the limits of the authorized share capital.

Such increased amount of capital may be subscribed for and issued against payment in cash by observing the then applicable legal requirements at an issue price determined by the board of directors from time to time.

The board of directors of the Issuer may delegate to any authorized director of the company or to any other duly authorized person, the duties of accepting subscriptions and receiving payment for the shares representing part or all of such increased amount of capital.

The shareholders of the Issuer have granted and have committed to grant subordinated shareholder loans to the Issuer to rebalance the Issuer's Capitalization Ratio (as defined in the Terms and Conditions). Each such shareholder loans are and will be subordinated to the obligations of the Issuer and the Guarantors under the Finance Documents, and, according to its terms, have a final redemption date which occur after the Maturity Date and provide for payments of principal and interest only to the extent that any such payment can only be made in accordance with Condition 11.2 (*Distributions*) of the Terms and Conditions. For the outstanding amounts as of the date of this Prospectus, see Section - XXI. "*Information about the Group and the Guarantors*", 9 "*Related Party Transactions*".

## **XXI. INFORMATION ABOUT THE GROUP AND THE GUARANTORS**

### **1. History of the Group**

AS “mogo” was founded in May 2012 by a group of individuals and companies and commenced operations offering leaseback products in Latvia in July 2012 and financial leasing products in August 2012.

Back in 2012 the founders of AS “mogo” 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. Mogo 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 AS “mogo” offering. Hence Mogo successfully expanded its operations.

From 2013 to 2014, we initiated operations in Lithuania, Estonia and Georgia, from 2016 to 2019, we initiated additional operations in Poland, Romania, Bulgaria, Moldova, Albania, Ukraine, North Macedonia, Uganda, Kenya, Kazakhstan and Uzbekistan through the establishment of new start-up entities, and in Armenia, North Macedonia, Belgium, the Netherlands and Germany by purchasing an operating entity. See “—Group Structure—Legal Structure” below.

In 2017, we launched Installment Loans in Latvia.

Currently operating in 17 countries – Latvia, Lithuania, Estonia, Georgia, Poland, Romania, Bulgaria, Moldova, Belarus, Albania, Armenia, Ukraine, North Macedonia, Uganda, Kenya, Kazakhstan and Uzbekistan – Mogo is still growing.

### **2. Beneficial ownership**

As of the date of this Prospectus, the beneficial owners of the Issuer are:

- a. Aigars Kesenfelds, holding directly and indirectly 46.5625 % of the voting share capital of the Issuer;
- b. Alberts Pole, holding directly and indirectly 15.5208 % of the voting share capital of the Issuer;
- c. Kristaps Ozols, holding directly and indirectly 15.5208 % of the voting share capital of the Issuer; and
- d. Māris Keišs, holding directly and indirectly 15.5208 % of the voting share capital of the Issuer.

(together, the “**Founders**”)

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

There are no particular measures to prevent abusive exercise of control on the Issuer. The Issuer’s board of directors believes that the Issuer’s corporate governance structure, together with the provisions of Luxembourg corporate law,



provides sufficient safe guards against the abuse of controlling interests by shareholders.

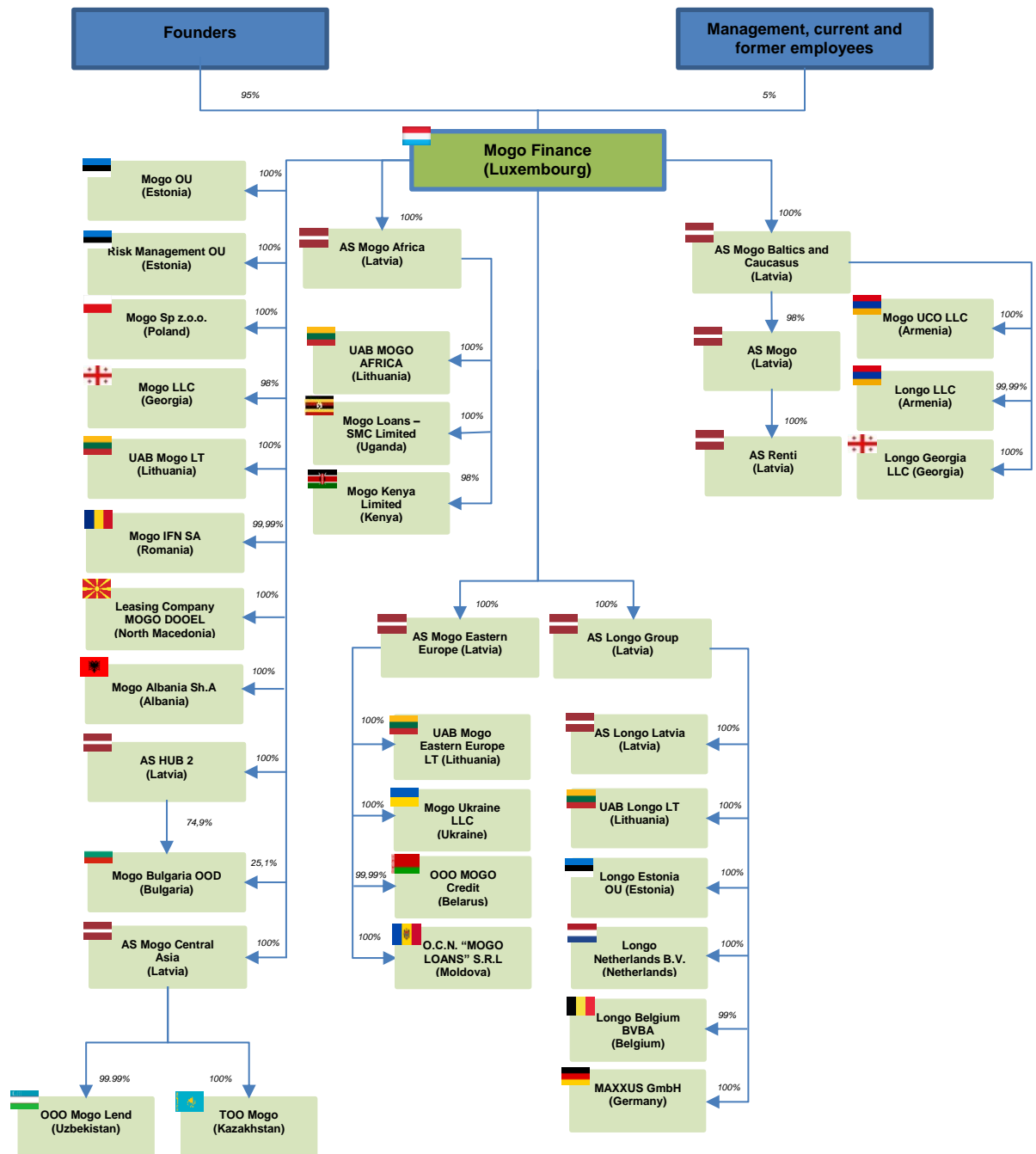
### 3. Issuer and Subsidiaries

The table below sets forth the entities of the Group which are active as of the date of this Prospectus and will act as Issuer and Guarantors.

	Legal entity (Country)	Direct Shareholder	Ownership	LEI
	Mogo Finance (Luxembourg)	--	--	894500N14T2GUDX0FL66
1.	AS "mogo" (Latvia)	AS Mogo Baltics and Caucasus	98%	213800DOKX626GYVOI32
2.	mogo OÜ (Estonia)	Mogo Finance	100%	894500O6EC87XECNSH80
3.	UAB "mogo LT" (Lithuania)	Mogo Finance	100%	39120022FMEDWPAHAI87
4.	Mogo LLC (Georgia)	Mogo Finance	98%	894500O761Z24B022906
5.	Mogo sp. z.o.o. (Poland)	Mogo Finance	100%	894500QW0MCYNLK4MP90
6.	Mogo IFN SA (Romania)	Mogo Finance	99.99%	894500QW65WQAKW0A937
7.	Mogo Bulgaria OOD (Bulgaria)	Mogo Finance AS HUB 2	25,1% 74,9%	894500QVV2T70M88Z576
8.	O.C.N. "MOGO LOANS" SRL (Moldova)	SIA Mogo Eastern Europe	100%	894500VY0OPZ52J91R45
9.	Mogo Albania SH.A. (Albania)	Mogo Finance	100%	894500VXV567137DE796
10.	OOO "Mogo Credit" (Belarus)	SIA Mogo Eastern Europe	99.99%	894500VXPLMFV3VHQN64
11.	AS Mogo Eastern Europe (Latvia) (previously "SIA HUB 3")	Mogo Finance	100%	894500VXK22O84JM3317
12.	Risk Management Service OÜ (Estonia)	Mogo Finance	100%	391200X1CXGYIJ56QT25
13.	MOGO Universal Credit Organization LLC (Armenia)	AS Mogo Baltics and Caucasus	100%	8945000Q63TANX0C5R15
14.	"MOGO UKRAINE" LLC (Ukraine)	SIA Mogo Eastern Europe	100%	894500V4RIE3ULU6Q723
15.	AS Mogo Baltics and Caucasus (Latvia) (previously "AS HUB 1")	Mogo Finance	100%	8945000QMQGLKUZ4F62
16.	AS HUB 2 (Latvia)	Mogo Finance	100%	8945000QH6WTXVO3GV14
17.	AS Mogo Central Asia (previously AS HUB 4)	Mogo Finance	100%	8945000QBND2AWC7TB73

	(Latvia)			
18.	AS Longo Group (Latvia)	Mogo Finance	100%	894500SNGNS9HL2FSI45
19.	AS Longo Latvia (Latvia)	AS Longo Group	100%	894500SNM7C14KEBG250
20.	UAB Longo LT (Lithuania)	AS Longo Group	100%	894500SNRQVSRJQ73M79
21.	Longo Estonia OU (Estonia)	AS Longo Group	100%	894500SNXAFKEJ22R622
22.	Longo Netherlands B.V. (Netherlands)	AS Longo Group	100%	894500SO2TZC1IDYEQ18
23.	Longo Georgia LLC (Georgia)	AS Mogo Baltics and Caucasus	100%	894500SMUHL6XNQX6A11
24.	Longo LLC (Armenia)	AS Mogo Baltics and Caucasus	99.99%	894500SN014YKN2STU65
25.	Leasing Company MOGO DOOEL Skopje (North Macedonia)	Mogo Finance	100%	894500SN5KOQ7MEOHE78
26.	AS Renti (Latvia)	AS "mogo"	100%	894500SMOY1FAOF1IQ54
27.	UAB Mogo Eastern Europe LT (previously "UAB HUB 3 LT")(Lithuania)	SIA Mogo Eastern Europe	100%	894500SNB48HULQK4Y41
28.	AS Mogo Africa (Latvia)	Mogo Finance	100%	894500SOJGMMYGDLE03
29.	UAB Mogo Africa (Lithuania) (previously "UAB HUB 5 LT")	AS Mogo Africa	100%	894500SOP06ELFPH0Y21
30.	Mogo Loans - SMC Limited (Uganda)	AS Mogo Africa	100%	894500SOUJQ68F1COI39
31.	Mogo Kenya Limited (Kenya)	AS Mogo Africa	98%	894500SP039XVED8C268
32.	TOO Mogo Kazakhstan (Kazakhstan)	AS Mogo Central Asia	100%	894500SODX2VBH1PPU69
33.	OOO Mogo Lend (Uzbekistan)	AS Mogo Central Asia	99,99%	894500SO8DJ3OHPU2A10
34.	Longo Belgium BVBA (Belgium)	AS Longo Group	99%	894500SP5MTPIDP3ZM60
35.	MAXXUS GMBH (Germany)	AS Longo Group	100%	894500SPB6DH5D0ZN688

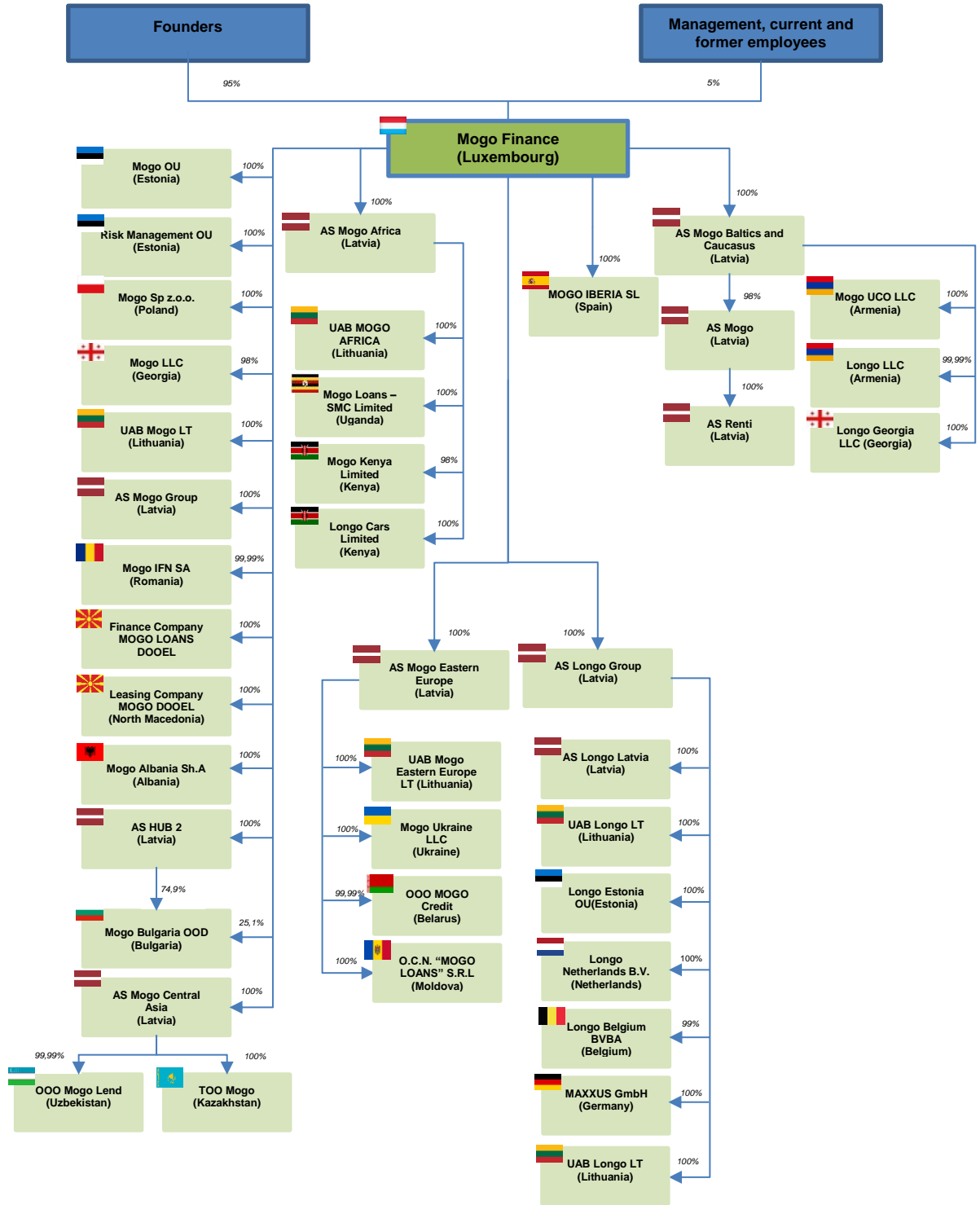
The Group chart below sets forth the legal structure and ownership of the Issuer and the Guarantors as of the date of this Prospectus.



The table below sets forth the entities of the Group which were set up but which have not started operations as of the date of this Prospectus, but will become Additional Guarantors in accordance with the Terms and Conditions.

<b>Country</b>	<b>Legal entity</b>	<b>Direct Shareholder</b>	<b>Ownership</b>
Latvia	AS Mogo Group (previously AS Hub 0)	Mogo Finance	100%
North Macedonia	Finance Company MOGO LOANS DOOEL Skopje	Mogo Finance	100%
Spain	MOGO IBERIA	Mogo Finance	100%
Kenya	Longo Cars Limited	AS Mogo Africa	100%
Lithuania	UAB "Longo Shared Services"	AS Longo Group	100%

The chart below sets forth the legal structure and ownership of the Group as of the date of this Prospectus, including non-active companies.



#### 4. Information on about the Group and the Guarantors

##### (1) AS “mogo” (Latvia)

Legal and commercial name	AS “mogo”
Registration number	50103541751
Date and place of incorporation	3 May 2012, Riga, the Republic of Latvia
Registered office address	Skanstes street 50, LV-1013 Riga, Latvia
Principal business activities	Vehicle financial leasing services and consumer lending
License:	The company carries a license for the provision of consumer credits issued by the Consumer Rights Protection Center of Latvia.  License issuance date: 18 July 2016.  License No. NK-2016-008
Website:	www.mogo.lv  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

##### **General Information about AS “mogo”**

###### *History and Development; Commercial Register*

AS “mogo” was incorporated on 3 May 2012, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS “mogo” is registered with Register of enterprises of the Republic of Latvia under No. 50103541751.

###### *Legal and Commercial Name, Financial Year and Business address*

The company’s legal name is AS “mogo” and it operates under the commercial name “AS “mogo””.

The registered office of AS “mogo” is at Skanstes street 50, LV-1013 Riga, Latvia, and its telephone number is +371 66 900 900.

The financial year of AS “mogo” commences on 1 January and ends on 31 December each calendar year.

##### **Business Overview**

Vehicle financial leasing services and consumer lending.

According to the companies’ articles of association (Art. 3), the purpose of AS “mogo” is to provide financial leasing, other credit granting, other financial service activities, except insurance and pension funding not elsewhere classified, other activities auxiliary to financial services, except insurance and pension funding, sale of cars and light motor vehicles, sale of motor vehicles, activities of insurance agents and brokers.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “Business”, “Physical Footprint”, “Marketing”,

“Underwriting and Review”, “Portfolio Management”, “Information Technology”, “Credit and Risk Management”, “Competition and Intellectual Property”. Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Latvia – under Section “Regulatory Framework”.

### **Administrative, Management and Supervisory Parties of AS “mogo”**

#### *Management*

As of the date of this Prospectus, AS “mogo” is managed by a sole director / member of the board, who has the right to represent the company vis-à-vis third parties. There are no other members of the board as of the date of this Prospectus.

As at the date of this Prospectus, member of the board of the company is:

- Krišjānis Znotiņš, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Krišjānis 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.

#### *Supervisory board*

AS “mogo” is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the chairman of the board.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Modestas Sudnius, with business address at Skanstes street 50, Riga, Latvia, LV-1013

See “XXII. Management – Management of the Issuer” below.

- Dārta Keršule, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Dārta Keršule holds a master’s degree (MBA) from Riga Business School in cooperation with the State University of New York at Buffalo, USA, and the University of Ottawa, Canada. Since July 2018 she is the Chief Financial Officer of Latvia, Lithuania, Estonia, Georgia and Armenia regions. Prior joining Mogo, Darta led the finance department in Balta - the largest non-life insurance company in Latvia and before that gained experience in the audit department at Ernst & Young.

- Kārlis Bērziņš, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Since February 2018, Mr. Berzinš has been Chief Information Officer in the Latvia, Lithuania, Estonia, Georgia and Armenia regions. He has previous work experience as IT Manager in joint venture RB Rail – the company responsible for international project Rail Baltica implementation coordination, and, before that, Karlis has worked as Head of IT division and as Baltic Management Team member in the insurance company Gjensidige Baltic. He has a bachelor’s degree in E-commerce from RSEBAA.

Modestas Sudnius, Dārta Kersule and Kārlis Bērziņš have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and the supervisory board and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

98% of AS “mogo” issued shares are held by AS Mogo Baltics and Caucasus. There are no particular measures to prevent abusive exercise of control on AS “mogo”. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### ***Share Capital of AS “mogo”***

The share capital of AS “mogo” is EUR 5,000,000 and is divided into 5,000,000 ordinary, fully paid-up shares with the nominal value of EUR 1.00 each.

### ***Auditors***

The auditor of AS “mogo” for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young Baltic SIA, incorporated under laws of Latvia with its registered office at Muižas street 1A, Riga, Latvia, LV-1010. Ernst & Young Baltic SIA is a member of the Latvian Association of Certified Auditors.

### ***Audit Committee***

AS “mogo” has an audit committee in accordance with Chapter II of the Latvian Financial Instrument Market Law. Among other things, the audit committee oversees the AS “mogo”’s financial reporting process to ensure the transparency and integrity of published financial information, the effectiveness of its internal control and risk management system, the effectiveness of its internal audit function, the effectiveness of its independent audit process 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 of AS “mogo” is formed by Dārta Keršule, Ilze Vavenko and Jūlija Masāne-Ose.

### ***Corporate Governance***

In its decision making and administration, AS “mogo” applies Latvian Commercial law (*Komerclikums*) and its articles of association.

AS “mogo” complies with its country’s of incorporation corporate governance regime.

### ***Financial Statements***

AS “mogo” is required by law to publish audited stand-alone and consolidated annual financial statements and interim unaudited stand-alone and consolidated reports on a quarterly basis. AS “mogo” is in compliance with such requirements.

### ***Selected Financial Information of AS “mogo”***

The tables below show certain selected summarised financial information which, without material changes, is derived from, and must be read together with, the audited financial statements of AS “mogo” for the year ended 31 December 2018 and unaudited condensed interim financial statements for the six months ended 30 June 2019 incorporated by reference in this Prospectus. The annual financial statements have been prepared in accordance with the IFRS. The condensed statement of financial position of AS “mogo” as at 30 June 2019 and the related condensed



statement of comprehensive income, the condensed statement of changes in equity and the condensed cash flow statement for the six months ending 30 June 2019 are prepared in accordance with the measurement and recognition principles of the IFRS.

1. **Selected statement of income data**

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 September 2018
	(Audited)		(Unaudited)	
	(in Million EUR)			
Interest and similar income.....	18.8	12.9	8.4	9.7
<b>Net interest income.....</b>	<b>12.6</b>	<b>10.2</b>	<b>5.7</b>	<b>6.4</b>
<b>Net profit for the period.....</b>	<b>3.1</b>	<b>3.6</b>	<b>3.1</b>	<b>0.5</b>
<b>Total comprehensive income for the year/period .....</b>	<b>3.1</b>	<b>3.6</b>	<b>3.1</b>	<b>0.5</b>

2. **Selected statement of financial position data**

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019
	(Audited)		(Unaudited)
	(in Million EUR)		
<b>Total assets .....</b>	<b>53.2</b>	<b>54.3</b>	<b>59.3</b>
Total liabilities	46.1	44.5	48.8
Total equity .....	7.0	9.9	10.5
<b>Total equity and liabilities....</b>	<b>53.2</b>	<b>54.3</b>	<b>59.3</b>

3. **Selected statement of cash flow data**

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 September 2017
	(Audited)		(Unaudited)	
	(in Million EUR)			
<b>Operating profit before working capital changes</b>	<b>(4.7)</b>	<b>(3.4)</b>	<b>7.5</b>	<b>11.8</b>
<b>Cash generated to/from operations</b>	<b>(14.0)</b>	<b>(13.7)</b>	<b>13.4</b>	<b>(1.6)</b>
<b>Net cash flows to/from</b>	<b>(1.0)</b>	<b>(4.3)</b>	<b>13.3</b>	<b>(2.1)</b>

	Year ended 31 December 2018	Year ended 31 December 2017	Six-month period ended 30 June 2019	Six-month period ended 30 September 2017
	(Audited)		(Unaudited)	
	(in Million EUR)			
operating activities				
Net cash flows to/from financing activities	0.4	23.1	1.4	9.2
Cash at the end of the year/period	0.7	0.7	0.8	0.6

### ***Material Contracts of AS “mogo”***

For a description of the material contracts to which AS “mogo” is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of AS “mogo”***

AS “mogo” is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of AS “mogo”***

There has been no material adverse change in the prospects of AS “mogo” since 31 December 2018.

### ***Outlook for AS “mogo”***

For a description of the prospects of the Group, including AS “mogo”, please refer to Section “– *Recent Events and Trends*” below.

## **(2) mogo OÜ (Estonia)**

Legal and commercial name	<b>mogo OÜ</b>
Registration number	12401448
Date and place of incorporation	8 January 2013, Tallin, the Republic of Estonia
Registered office address	Parnu mnt 148, 11317, Tallinn Republic of Estonia
Principal business activities	Vehicle financial leasing services
License:	The company carries a license for the provision of consumer credits issued by the Estonian Financial Supervision Authority.  License issuance date: 8 February 2016.  Decision No. 4.1-1/11
Website:	<a href="http://www.mogo.ee">www.mogo.ee</a>  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### ***General Information about mogo OÜ***

#### *History and Development; Commercial Register*

Mogo OÜ was incorporated on 8 January 2013, and operates, under the laws of Estonia as a private limited liability company with unlimited duration.

Mogo OÜ is registered with Register of enterprises of Estonia under No. 12401448.

#### *Legal and Commercial Name, Financial Year and Business address*

The company's legal name is mogo OÜ and it operates under the commercial name "mogo OÜ".

The registered office of mogo OÜ is at Parnu mnt 148, 11317, Republic of Estonia, and its telephone number is +372 6888200.

The financial year of mogo OÜ commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Vehicle financial leasing services and consumer lending.

According to the companies' articles of association (Art. 3), the purpose of mogo OÜ is to provide financial leasing, other lending services, financial service activities not classified elsewhere, except of insurance and pension funding, other activities complementary to financial services, except of insurance and pension funding, sale of cars and other passenger vehicles, sale of other automobiles, activities of insurance agent and brokers provided that company has obtained the required registration.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*",

“*Credit and Risk Management*”, “*Competition and Intellectual Property*”. Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Estonia – under Section “*Regulatory Framework*”.

### ***Administrative, Management and Supervisory Parties of mogo OÜ***

#### *Management*

mogo OÜ is managed by a board member, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, board member of the company is:

- Jevgeni Kotška, with business address at Parnu mnt 148, 11317, Tallinn Republic of Estonia.

Country Manager in Estonia since 2018. Jevgeni holds a Master’s degree in Business Finance from Tallinn University of Technology. He has more than 10-year experience in the most innovative Estonian financial companies: Chief Operating Officer in IuteCredit Europe, Development Manager of Financing in Elion Enterprises, Financial Analyst in Swedbank.

Jevgeni Kotška has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of mogo OÜ is Mogo Finance. There are no particular measures to prevent abusive exercise of control on mogo OÜ. Its corporate governance structure, together with the provisions of Estonian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of mogo OÜ*

The share capital of mogo OÜ is EUR 60,000, consisting of one (1) ordinary fully paid-up share with nominal value of EUR 60,000, of which each EUR 1.00 grants one (1) vote..

### ***Auditors***

The auditor of mogo OÜ for the financial years ended 31 December 2017 and 31 December 2018 is *Ernst & Young Baltic AS*, incorporated under laws of Estonia with its registered office at Rävåla 4, 10143 Tallinn, Estonia. Ernst & Young Baltic AS is a member of the Estonian Auditors’ Association.

### ***Audit Committee***

As of the date of this Prospectus mogo OÜ has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, mogo OÜ applies Estonian Commercial Code and its articles of association.

mogo OÜ complies with its country’s of incorporation corporate governance regime.

### ***Financial Statements***

mogo OÜ is required by law to prepare annual audited stand-alone financial statements. mogo OÜ is in compliance with such requirements.

mogo OÜ is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of mogo OÜ***

For a description of the material contracts to which mogo OÜ is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of mogo OÜ***

mogo OÜ is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of mogo OÜ***

There has been no material adverse change in the prospects of mogo OÜ since 31 December 2018.

### ***Outlook for mogo OÜ***

For a description of the prospects of the Group, including mogo OÜ, please refer to Section “– *Recent Events and Trends*” below.

### **(3) UAB mogo LT (Lithuania)**

Legal and commercial name	<b>UAB mogo LT</b>
Registration number	302943102
Date and place of incorporation	31 December 2012, Vilnius, the Republic of Lithuania
Registered office address	Vilniaus m. sav. Vilniaus m. Perkūnkiemio g. 6, Lithuania
Principal business activities	Vehicle financial leasing services and consumer services
License:	The company is included in the Public List of Consumer Credit Providers handled by the Bank of Lithuania allowing to provide crediting services for consumers.
Website:	<a href="http://www.mogo.lt">www.mogo.lt</a>  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about UAB mogo LT**

#### *History and Development; Commercial Register*

UAB mogo LT was incorporated on 31 December 2012, and operates, under the laws of Lithuania as a private limited liability company with unlimited duration.

UAB mogo LT is registered with Register of enterprises of Lithuania under No. 302943102.

#### *Legal and Commercial Name, Financial Year and Business address*

The company's legal name is UAB mogo LT and it operates under the commercial name "UAB mogo LT".

The registered office of UAB mogo LT is at Vilniaus m. sav. Vilniaus m. Perkūnkiemio g. 6, Lithuania, and its telephone number is +370 700 80099.

The financial year of UAB mogo LT commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Vehicle financial leasing and rental services and consumer services.

According to the companies' articles of association (Art. 3), the purpose of UAB mogo LT is to provide financial leasing, other lending services, financial service activities, not classified elsewhere, except of insurance and pension funding, other activities complementary to financial services, except of insurance and pension funding, sale of cars and other passenger vehicles, sale of other automobiles, activities of insurance agents and brokers.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "Business", "Physical Footprint", "Marketing", "Underwriting and Review", "Portfolio Management", "Information Technology",

“Credit and Risk Management”, “Competition and Intellectual Property”. Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Lithuania – under Section “Regulatory Framework”.

### **Administrative, Management and Supervisory Parties of UAB mogo LT**

#### *Management*

UAB mogo LT is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is:

- Laurynas Dzindzelėta, with business address at Vilniaus m. sav. Vilniaus m. Perkūnkiemio g. 6, Lithuania

Laurynas has joined Mogo on June 2019 as a Country Manager in Lithuania and possesses experience in product/project management, as well as leadership experience from his previous roles at Nasdaq Vilnius Services and several Swedbank subsidiaries in Lithuania. Laurynas holds a MA in Economics from Vilnius University.

Laurynas Dzindzelėta has no principal activities outside the Group

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### **Organizational Structure and Shareholders**

100% of UAB mogo LT issued shares are held by Mogo Finance. There are no particular measures to prevent abusive exercise of control on UAB mogo LT. Its corporate governance structure, together with the provisions of Lithuanian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of UAB mogo LT*

The share capital of UAB mogo LT is EUR 2,499,827.20 and is divided into 86,320 ordinary, fully paid-up shares with the nominal value of EUR 28.96 each.

### **Auditors**

The auditor of UAB mogo LT for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young Baltic UAB, incorporated under laws of Lithuania with its registered office at Subačiaus str. 7, Vilnius. EY Lithuania is a member of the Lithuanian Chamber of Auditors.

### **Audit Committee**

As of the date of this Prospectus UAB mogo LT has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, UAB mogo LT applies Lithuanian Law on Companies and its articles of association.

UAB mogo LT complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

UAB mogo LT is required by law to prepare annual audited stand-alone financial statements. UAB mogo LT is in compliance with such requirements.

UAB mogo LT is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of UAB mogo LT**

For a description of the material contracts to which UAB mogo LT is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of UAB mogo LT**

UAB mogo LT is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of UAB mogo LT**

There has been no material adverse change in the prospects of UAB mogo LT since 31 December 2018.

### **Outlook for UAB mogo LT**

For a description of the prospects of the Group, including UAB mogo LT, please refer to Section “– *Recent Events and Trends*” below.

#### **(4) Mogo LLC (Georgia)**

Legal and commercial name	<b>Mogo LLC</b>
Registration number	404468688
Date and place of incorporation	18 March 2014, Tbilisi, Georgia
Registered office address	42a Al. Kazbegi Street, Vake-Saburtalo District, 0160, Tbilisi, Georgia
Principal business activities	Vehicle financial leasing services
License:	No license required to provide leasing services in Georgia.

Website: [www.mogo.ge](http://www.mogo.ge)

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

### **General Information about Mogo LLC**

#### *History and Development; Commercial Register*

Mogo LLC was incorporated on 18 March 2014, and operates, under the laws of Georgia as a limited liability company with unlimited duration.

Mogo LLC is registered with Register of enterprises of Georgia under No. 404468688

*Legal and Commercial Name, Financial Year and Business address*



The company's legal name is Mogo LLC and it operates under the commercial name "Mogo LLC".

The registered office of Mogo LLC is at 42a Al. Kazbegi Street, Vake-Saburtalo District, 0160, Tbilisi, Georgia, and its telephone number is +995 32 2244600.

The financial year of Mogo LLC commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Vehicle financial leasing services.

According to the companies' articles of association (Art. 3), the purpose of Mogo LLC is to provide financial leasing, other lending services, financial service activities not classified elsewhere, except for insurance and pension funding, other activities complementary to financial services, except of insurance and pension funding, sale of cars and other passenger vehicles, sale of automobiles.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*". Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Georgia – under Section "*Regulatory Framework*".

### ***Administrative, Management and Supervisory Parties of Mogo LLC***

#### *Management*

Mogo LLC is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is:

- Jūlija Masāne-Ose, with business address at Skanstes street 50, Rīga, LV-1013

Jūlija Masāne-Ose holds a M.Sc. in Economics from Hanken School of Economics in Finland and B.Sc from Stockholm School of Economics in Riga. Since January 2019 she is the Chief Operating Officer of Latvia, Lithuania, Estonia, Georgia and Armenia regions. Before joining Mogo, Jūlija has been a director in Financial Advisory department in KPMG Latvia – one of the leading audit and consulting firms in Latvia.

Jūlija Masāne-Ose has no principal activities outside the Group.

#### *Supervisory board*

Mogo LLC is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the sole director.

As of the date of this Prospectus, supervisory board of the company consists of:

- Alberts Pole, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Mr. Alberts Pole is co-founder and shareholder in various businesses, including Mogo Finance. Mr. Pole previous experience includes working as Chairman of The Board at 4finance AS as well as a tenure at a leading local investment bank where he was responsible for valuations and communication with potential investors.

Alberts holds a Bachelor's degree in economics and business administration from Stockholm School of Economics in Riga.

- Māris Keišs, with business address at Skanstes street 50, Riga, Latvia, LV-1013

A graduate of Stockholm School of Economics, Māris Keišs is a serial entrepreneur since 2008. His previous experience includes working as consultant in Ernst & Young Baltic, financial analyst in SIA Pilsetmaju instituts Urban art, and co-founder of 4finance JSC.

- Kristaps Ozols, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Mr. Kristaps Ozols is entrepreneur in private projects since 2008. He served as Chief Executive at several enterprises engaged in real estate development, where Mr. Ozols's main responsibilities included project coordination, attraction of capital and sales management. Mr. Ozols is also co-founder of 4finance JSC. He holds a Bachelor's degree in economics and business administration from Stockholm School of Economics in Riga.

Alberts Pole, Māris Keišs and Kristaps Ozols have principal activities outside the Group as entrepreneurs and shareholders in other business ventures. Alberts Pole, Māris Keišs and Kristaps Ozols confirm that there is no conflict of interest between their duties as members of the supervisory board of Mogo LLC and their principal and/or other outside activities.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

#### **Organizational Structure and Participation Holders**

98% of Mogo LLC issued participation rights are held by Mogo Finance. There are no particular measures to prevent abusive exercise of control on Mogo LLC. Its corporate governance structure, together with the provisions of Georgian corporate law, provides sufficient safe guards against the abuse of controlling interests by participation holders.

#### *Capital of Mogo LLC*

The capital of Mogo LLC is GEL 5,626,474 and is divided into participations instead of shares with 1 voting right per percentage of participation. The capital is fully paid-up and all participations grant the same rights to the participation holders of Mogo LLC.

#### **Auditors**

The auditor of Mogo LLC for the financial years ended 31 December 2017 and 31 December 2018 is EY LLC, incorporated under laws of Georgia with its registered office at Kote Abkhazi 44, Tbilisi 0105, Georgia. EY Georgia LLC is a member of the Georgian Federation of Professional Accountants and Auditors.

#### **Audit Committee**

As of the date of this Prospectus Mogo LLC has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, Mogo LLC applies the Law on Entrepreneurs of Georgia and its articles of association.

Mogo LLC complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

Mogo LLC is required by law to prepare annual audited stand-alone financial statements. Mogo LLC is in compliance with such requirements.

Mogo LLC is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of Mogo LLC**

For a description of the material contracts to which Mogo LLC is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of Mogo LLC**

Mogo LLC is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of Mogo LLC**

There has been no material adverse change in the prospects of Mogo LLC since 31 December 2017.

### **Outlook for Mogo LLC**

For a description of the prospects of the Group, including Mogo LLC, please refer to Section “– *Recent Events and Trends*” below.

## **(5) Mogo sp. z o.o. (Poland)**

Legal and commercial name	<b>Mogo sp. z o.o.</b>
Registration number	7010514253
Date and place of incorporation	20 October 2015, Warsaw, Poland
Registered office address	ul. Chocimska, nr 35, lok. 26, miejsc. Warsaw, kod 00-791, poczta, Warsaw
Principal business activities	Vehicle financial leasing services
License:	No license required to provide leasing services in Poland.
Website:	<a href="http://www.mogo.pl">www.mogo.pl</a>

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

### **General Information about Mogo sp. z o.o.**

#### *History and Development; Commercial Register*

Mogo sp. z o.o. was incorporated on 20 October 2015, and operates, under the laws of Poland as a limited liability company with unlimited duration.

Mogo sp. z o.o. is registered with Register of enterprises of Poland under No. 7010514253.

#### *Legal and Commercial Name, Financial Year and Business address*

The company's legal name is Mogo sp. z o.o. and it operates under the commercial name "Mogo sp. z o.o."

The registered office of Mogo sp. z o.o. is at ul. Chocimska, nr 35, lok. 26, miejsc. Warsaw, kod 00-791, poczta, Warsaw, and its telephone number is +48 22 307 45 55.

The financial year of Mogo sp. z o.o. commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Vehicle financial leasing services.

According to the companies' articles of association (Art. 6.1), the purpose of Mogo sp. z o.o. is to conduct financial leasing, other lending services, other financial service activities not classified elsewhere, except for insurance and pension funds, other activities complementary to financial services, except for insurance and pension funds, wholesale and retail sale of cars and other passenger vehicles, wholesale and retail sale of other automobiles, activities of insurance agents and brokers, rental and leasing of cars and light motor vehicles, rental and leasing of other motor vehicles, excluding motorcycles.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "Business", "Physical Footprint", "Marketing", "Underwriting and Review", "Portfolio Management", "Information Technology", "Credit and Risk Management", "Competition and Intellectual Property". Further, the

regulatory framework of business operations is described in more detail – and also for the jurisdiction of Poland – under Section “*Regulatory Framework*”.

### ***Administrative, Management and Supervisory Parties of Mogo sp. z o.o.***

#### *Management*

Mogo sp. z o.o. is managed by a sole director / management board president, who has the right to represent the company vis-à-vis third parties. There are no other members of the management board as of the date of this Prospectus.

As at the date of this Prospectus, management board president of the company is:

- Aleksandrs Ahmetovs, with business address at ul. Chocimska, nr 35, lok. 26, miejsc. Warszaw, kod 00-791, poczta, Warsaw.

Aleksandrs Ahmetovs has 10 years experience in development and management of 2 digital consumer finance and 1 financial brokerage companies on CEO position in Poland. Company products – payday loans, installment loans, credit line with mastercard, credit comparison platform. Team under management – up to 60 employees. Education: Bachelor degree in Economics and Business management from University of Latvia.

Aleksandrs Ahmetovs has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of Mogo sp. z o.o. is Mogo Finance. There are no particular measures to prevent abusive exercise of control on Mogo sp. z o.o.. Its corporate governance structure, together with the provisions of Polish corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Mogo sp. z o.o.*

The share capital of Mogo sp. z o.o. is ZLT 500,000 and is divided into 10,000 ordinary, fully paid-up shares with the nominal value of ZLT 50.00 each.

### ***Auditors***

Mogo sp. z o.o. has not been audited by any statutory auditors for the financial years ended 31 December 2017 and 31 December 2018.

### ***Audit Committee***

As of the date of this Prospectus Mogo sp. z o.o. has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Mogo sp. z o.o. applies Code of Commercial Companies, the Companies Act 2000, Accounting Act, Civil Code and Act on the National Court Register and its articles of association.

Mogo sp. z o.o. complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Mogo sp. z o.o. is required by law to prepare annual unaudited stand-alone financial statements. Mogo sp. z o.o. is in compliance with such requirements.

Mogo sp. z o.o. is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Mogo sp. z o.o.***

For a description of the material contracts to which Mogo sp. z o.o. is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Mogo sp. z o.o.***

Mogo sp. z o.o. is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Mogo sp. z o.o.***

Mogo sp. z o.o. currently issues no new loans to its existing and potential customers in Poland and has its focus only on servicing the existing loan portfolio. Whether Mogo sp. z o.o. will restart the issuance of new loans is currently being assessed by Group and it is planned that the respective decisions will be made in the beginning of 2020. Other than this, there has been no material adverse change in the prospects of Mogo sp. z o.o. since its incorporation.

### ***Outlook for Mogo sp. z o.o.***

For a description of the prospects of the Group, including Mogo sp. z o.o., please refer to Section “– *Recent Events and Trends*” below.

## **(6) Mogo IFN SA (Romania)**

Legal and commercial name	<b>Mogo IFN SA</b>
Registration number	35917970
Date and place of incorporation	6 April 2014, Bucharest, Romania
Registered office address	Calea Victoriei Avenue, number 155, flat D1, section 6, floor 4, Sector 1, Bucharest
Principal business activities	Vehicle financial leasing services
License:	License for other credit services issued by the National Bank of Romania on 9 November 2016.
Website:	<a href="http://www.mogo.ro">www.mogo.ro</a>

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

### **General Information about Mogo IFN SA**

#### *History and Development; Commercial Register*

Mogo IFN SA was incorporated on 6 April 2014, and operates, under the laws of Romania as a joint stock company with unlimited duration.

Mogo IFN SA is registered with Register of enterprises of Romania under No. 35917970.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Mogo IFN SA and it operates under the commercial name "Mogo IFN SA".

The registered office of Mogo IFN SA is at Calea Victoriei Avenue, number 155, flat D1, section 6, floor 4, Bucharest, and its telephone number is +40 031 630 2621.

The financial year of Mogo IFN SA commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Vehicle financial leasing services.

According to the companies' articles of association (Art. 5), the purpose of Mogo IFN SA is to provide other financial service activities, except insurance and pension funding, other credit granting – business deal funding.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*". Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Romania – under Section "*Regulatory Framework*".

## ***Administrative, Management and Supervisory Parties of Mogo IFN SA***

### *Management*

Mogo IFN SA is managed by a general manager, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, general manager of the company is:

- Andrei Dragu, with business address at Strada Sevastopol nr. 24, etaj 4, 406, Sector 1, Bucharest

Dragu Andrei is 37 years old and has 12-year experience in the financial and banking sector in Romania, including over 4 years in restructuring and managing non-banking financial institution as general manager of fintech and online lending businesses – Mozipo IFN and GM Simplu Credit IFN - lending to retail and companies, and 8 years in the Romanian banking sector as Regional Director in Credit Agricole Bank, SMS Business Development in Piraeus Bank, Relationship manager in Unicredit Bank in Romania. He holds a Master's degree in Finance and Banking.

Andrei Dragu has no principal activities outside the Group.

### *Supervisory board*

Mogo IFN SA is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the general manager.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Valerij Petrov, chairman of the council, with business address at Ukmerges g. 322-1, Vilnius, Lithuania; and
- Dimitrijs Aleksašins, member of the council, with business address at and now is appointed as Mogo Eastern Europe CIO

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 Mogo Eastern Europe 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.

Dimitrijs Aleksašins was appointed as CIO of the Group in 2017. Mr. Aleksašins was Acting CTO in Byjuno AG (Consumer Finance FinTech company) for last 3 years and has held IT manager positions in Intrum Justitia (industry leading provider of credit management services) and Accenture (leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations). Proven record of International Assignments since 1999 include, but not limited to: IBM (UK), AmSouth Bank (USA), Regions Bank (USA), AIG (USA), Столичная Страховая Группа (Russia), Wells Fargo (USA), DNB Bank (Lithuania). Mr. Aleksašins has a bachelor's and master's degree in computer science.

- Rodions Matvejevs, member of the council, with business address at Skanstes street 50, Riga, Latvia, LV-1013.

Rodions Matvejevs has been Head of digital marketing in Mogo Eastern Europe since December 2017. Since October 2018, Rodions Matvejevs has been Head of



digital marketing in Mogo Group and now is Chief Commercial officer. He has previous work experience in different roles as marketing consultant, marketing executive, COO, project manager and business owner.

Valerij Petrov, Dimitrijs Aleksašins and Rodions Matvejevs have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

99.99% of Mogo IFN SA issued shares are held by Mogo Finance. 0.01 % of Mogo IFN SA issued shares are held by AS “mogo”. There are no particular measures to prevent abusive exercise of control on Mogo IFN SA. Its corporate governance structure, together with the provisions of Romanian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Mogo IFN SA*

The share capital of Mogo IFN SA is RON 924,000 and is divided into 10,500 ordinary, fully paid-up shares with the nominal value of RON 88 each.

#### **Auditors**

The auditor of Mogo IFN SA for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young, incorporated under laws of Romania with its registered office at Bucharest Tower Center 22nd floor, 15-17 Ion Mihalache Blvd, Sector 1, 011171, Bucharest. Ernst & Young is a member of Chamber of Financial Auditors of Romania.

#### **Audit Committee**

##### *Audit Committee*

The Audit Committee of Mogo IFN SA consists of two members, being Valerij Petrov and Dimitrijs Aleksašins.

Summary of the terms of reference of the Audit Committee: The Audit Committee is a standing committee, which operates independently from the management, directly subordinated to the Supervisory Board and having an advisory function. The Audit Committee assists the Supervisory Board to carry out its responsibilities. The committee is responsible for, among other things, the planning and reviewing of the company's financial statements and the supervision of its auditors in the review of such financial statements. The audit committee focuses particularly on the company's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements and ensuring that effective systems for internal financial control.

#### **Corporate Governance**

In its decision making and administration, Mogo IFN SA applies Romanian Civil Code and its articles of association.

As consumer lending non-banking company, Mogo IFN SA needs also to have an audit committee and a risk committee, and it needs to submit financial statements audited by top-tier auditors or at least by auditors acceptable to the National Bank of Romania.

Mogo IFN SA complies with its country's of incorporation corporate governance regime.

***Financial Statements***

Mogo IFN SA is required by law to prepare annual audited stand-alone financial statements. Mogo IFN SA is in compliance with such requirements.

Mogo IFN SA is not required to prepare and has not prepared interim financial statements.

***Material Contracts of Mogo IFN SA***

For a description of the material contracts to which Mogo IFN SA is a party to, please refer to Section “– *Material Agreements*” below.

***Legal Proceedings of Mogo IFN SA***

Mogo IFN SA is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

***Material Adverse Change in the Prospects of Mogo IFN SA***

There has been no material adverse change in the prospects of Mogo IFN SA since 31 December 2018.

***Outlook for Mogo IFN SA***

For a description of the prospects of the Group, including Mogo IFN SA, please refer to Section “– *Recent Events and Trends*” below.

## **(7) Mogo Bulgaria OOD (Bulgaria)**

Legal and commercial name	<b>Mogo Bulgaria OOD</b>
Registration number	204009205
Date and place of incorporation	5 April 2016, Sofia
Registered office address	16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria
Principal business activities	Vehicle financial leasing services
License:	License for Financial Institution No BGR00379 issued by the Bulgarian National Bank. The license has no expiration date.
Website:	www.mogo.bg  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### ***General Information about Mogo Bulgaria OOD***

#### *History and Development; Commercial Register*

Mogo Bulgaria OOD was incorporated on 5 April 2016, and operates, under the laws of Bulgaria as a limited liability company with unlimited duration.

Mogo Bulgaria OOD is registered with Register of enterprises of Bulgaria under No. 204009205.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Mogo Bulgaria OOD and it operates under the commercial name "Mogo Bulgaria OOD".

The registered office of Mogo Bulgaria OOD is at 16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria, and its telephone number is 0700 35 009.

The financial year of Mogo Bulgaria OOD commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Vehicle financial leasing services.

According to the companies' articles of association (Art. 4), the purpose of Mogo Bulgaria OOD is to provide non-banking financial services, namely: financial leasing, lending services with its own funds and for its own account without public attraction of deposits or other repayable instruments, guarantee transactions and other financial services such as acquisition of account receivables on loans and provision of other type of financing.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*",

“*Credit and Risk Management*”, “*Competition and Intellectual Property*”. Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Bulgaria – under Section “*Regulatory Framework*”.

### ***Administrative, Management and Supervisory Parties of Mogo Bulgaria OOD***

#### *Management*

Mogo Bulgaria OOD is managed by a management board consisting of two members of the board, whom have the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the members of the board of the company are:

- Irina Haralampieva Georgieva, with business address at 16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria, and
- Oskars Dzalbs, with business address at 16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria
- 

Country Manager of Mogo Bulgaria since April 2019 is Irina Haralampieva Georgieva.

Irina Georgieva has more than 25 years of experience in financial services. Before joining Mogo, Irina was Deputy CEO in one of the biggest non-banking microlending companies in Bulgaria – PROFI CREDIT Bulgaria OOD – part of the international microfinance group Profireal Group. Main responsibility of Irina in PROFI CREDIT was the supervision of Collection, Operation and IT Departments, as well as Project Management activities. In period 2012-2016 Irina was a member of the project team engaged to establish and launch the activities of Profireal Group in Russia with area of responsibility product, risk and underwriting, operations and with direct management of Collection Department. Irina has a Master Degree in Labour Economy from University of national and world economy Sofia, Bulgaria.

Irina Georgieva has no principal activities outside the Group.

Oskars Dzalbs is a member of ACCA (Association of Chartered Certified Accountants) and holds a BSc Entrepreneurship and Management from Riga Technical university. Since May 2019 he is the Chief Financial Officer of AS HUB 2. Prior to joining Mogo Oskars held Finance Director role in Riga Freeport Fleet a seaport services company and before that held a Senior role in the audit department at KPMG.

Oskars Dzalbs has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The shareholders of Mogo Bulgaria OOD are Mogo Finance (25.1%) and AS HUB 2 (74.9%). There are no particular measures to prevent abusive exercise of control on Mogo Bulgaria OOD. Its corporate governance structure, together with the provisions of Bulgarian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Mogo Bulgaria OOD*

The share capital of Mogo Bulgaria OOD is BGN 5,000,000 and is divided into 500,000 ordinary, fully paid-up shares with the nominal value of BGN 10.00 each.

### **Auditors**

The auditor of Mogo Bulgaria OOD for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young Audit OOD, incorporated under laws of Bulgaria with its registered office at Polygraphia Office Center, 4th Floor, Tsarigradsko shouse blvd. 47A, 1124 Sofia, Bulgaria. Ernst & Young Audit OOD is a member of the Institute of Certified Public Accountants of Bulgaria.

### **Audit Committee**

As of the date of this Prospectus Mogo Bulgaria OOD has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, Mogo Bulgaria OOD applies Bulgarian Commerce Act and its articles of association.

Mogo Bulgaria OOD complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

Mogo Bulgaria OOD is required by law to prepare annual unaudited stand-alone financial statements. Mogo Bulgaria OOD is in compliance with such requirements.

Mogo Bulgaria OOD is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of Mogo Bulgaria OOD**

For a description of the material contracts to which Mogo Bulgaria OOD is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of Mogo Bulgaria OOD**

Mogo Bulgaria OOD is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of Mogo Bulgaria OOD**

There has been no material adverse change in the prospects of Mogo Bulgaria OOD since its incorporation.

### **Outlook for Mogo Bulgaria OOD**

For a description of the prospects of the Group, including Mogo Bulgaria OOD, please refer to Section “– *Recent Events and Trends*” below.

## **(8) O.C.N. “MOGO LOANS” SRL (Moldova)**

Legal and commercial name	<b>O.C.N. MOGO LOANS” SRL</b>
Registration number	10086000260223
Date and place of incorporation	4 August 2017, Chisinau
Registered office address	MD-2060, Cuza-Voda 20/A, Chisinau, Moldova
Principal business activities	Vehicle financial leasing services
License:	No license required to provide leasing services in Moldova.

Website: [www.mogo.md](http://www.mogo.md)

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

### **General Information about O.C.N. “MOGO LOANS” SRL**

#### *History and Development; Commercial Register*

O.C.N. “MOGO LOANS” SRL was incorporated on 4 August 2017, and operates, under the laws of Moldova as a limited liability company with unlimited duration.

O.C.N. “MOGO LOANS” SRL is registered with Register of enterprises of Moldova under No. 10086000260223.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is O.C.N. “MOGO LOANS” SRL and it operates under the commercial name “O.C.N. “MOGO LOANS” SRL” (previously “Mogo Loans SRL”).

The registered office of O.C.N. “MOGO LOANS” SRL is at MD-2060, Cuza-Voda 20/A, Chisinau, Moldova, and its telephone number is +37322802828.

The financial year of O.C.N. “MOGO LOANS” SRL commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Vehicle financial leasing services.

According to the companies’ articles of association (Art. 2.1), the purpose of O.C.N. “MOGO LOANS” SRL is financial leasing, other lending services, financial service activities not classified elsewhere, except for insurance and pension funding, other activities complementary to financial services, except of insurance and pension funding, sale of cars and other passenger vehicles, sale of other automobiles.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”,

*“Underwriting and Review”, “Portfolio Management”, “Information Technology”, “Credit and Risk Management”, “Competition and Intellectual Property”.*

### **Administrative, Management and Supervisory Parties of O.C.N. “MOGO LOANS” SRL**

#### *Management*

O.C.N. “MOGO LOANS” SRL is managed by a sole administrator, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole administrator of the company is:

- Veaceslav Luchianenco, with business address at MD-2060, Cuza-Voda 20/A, Chisinau, Moldova

Since March 2019, Veaceslav Luchianenco is a country manager for Moldova. Veaceslav Luchianenco has 18 years of experience in the project management in financial and production sectors, including Procredit Bank, Total Leasing & Finance and Prime Capital in Moldova.

Veaceslav Luchianenco has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### **Organizational Structure and Shareholders**

The sole shareholder of O.C.N. “MOGO LOANS” SRL is AS Mogo Eastern Europe. There are no particular measures to prevent abusive exercise of control on O.C.N. “MOGO LOANS” SRL. Its corporate governance structure, together with the provisions of Moldavian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of O.C.N. “MOGO LOANS” SRL*

The share capital of O.C.N. “MOGO LOANS” SRL is MLD 305,400.00 constituting 100% of share capital.

### **Auditors**

The auditor of O.C.N. “MOGO LOANS” SRL for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young SRL, incorporated under laws of Moldova with its registered office at Moldova, MD-2012 Chisinau, 51, Alexandru cel Bun str. Ernst & Young SRL is a member of the Association of Professional Accountants and Auditors of the Republic of Moldova.

### **Audit Committee**

As of the date of this Prospectus Mogo Loans SRL has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, O.C.N. “MOGO LOANS” SRL applies “Law N.845-XII on Business and Enterprises” of Moldova and its articles of association.

O.C.N. “MOGO LOANS” SRL complies with its country’s of incorporation corporate governance regime.

### **Financial Statements**

O.C.N. "MOGO LOANS" SRL is required by law to prepare annual audited stand-alone financial statements. O.C.N. "MOGO LOANS" SRL is in compliance with such requirements.

O.C.N. "MOGO LOANS" SRL is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of O.C.N. "MOGO LOANS" SRL**

For a description of the material contracts to which O.C.N. "MOGO LOANS" SRL is a party to, please refer to Section "– Material Agreements" below.

### **Legal Proceedings of O.C.N. "MOGO LOANS" SRL**

O.C.N. "MOGO LOANS" SRL is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section "– Legal Proceedings" below.

### **Material Adverse Change in the Prospects of O.C.N. "MOGO LOANS" SRL**

There has been no material adverse change in the prospects of O.C.N. "MOGO LOANS" SRL since 31 December 2018.

### **Outlook for Mogo Loans SRL**

For a description of the prospects of the Group, including O.C.N. "MOGO LOANS" SRL, please refer to Section "– Recent Events and Trends" below.

## **(9) Mogo Albania SH.A. (Albania)**

Legal and commercial name	<b>Mogo Albania SH.A.</b>
Registration number	NUIS L71528013A
Date and place of incorporation	28 March 2017, Tirana
Registered office address	Rruga "Abdulla Keta", Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirana, Albania
Principal business activities	Vehicle financial leasing services
License:	License for financial lease No. 41 issued by the National Bank of Albania on 10 November 2017. The license has no expiration date.
Website:	<a href="http://www.mogo.al">www.mogo.al</a>
	The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about Mogo Albania SH.A.**

#### *History and Development; Commercial Register*

Mogo Albania SH.A. was registered in the Commercial Register of the Republic of Albania on 28 March 2017 and operates under the laws of Albania as a joint stock company with unlimited duration.



Mogo Albania SH.A. is registered with Register of enterprises of Albania under No. NUIS L71528013A

*Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Mogo Albania SH.A. and it operates under the commercial name "Mogo Albania SH.A."

The registered office of Mogo Albania SH.A. is at Rruga "Abdulla Keta", Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirane, Albania, and its telephone number is +35544520478.

The financial year of Mogo Albania SH.A. commences on 1 January and ends on 31 December each calendar year.

**Business Overview**

Vehicle financial leasing services.

According to the companies' articles of association (Art. 2), the purpose of Mogo Albania SH.A. is to engage in non-banking and financial activities, in Albania and abroad, pursuant to applicable banking laws and regulations of competent authorities for regulating financial activities. Pursuant to the approvals and licenses granted by the competent authorities, Mogo Albania SH.A. shall perform the non-banking activity of financial leasing and general lending. Mogo Albania SH.A. may carry out the leasing activity, i.e. leaseback; other credit granting activity, i.e. consumer credits, car title loans; factoring; granting of security; sale of cars and light motor vehicles, i.e. wholesale and retail sale of vehicles; renting and leasing of motor vehicles, trucks, agricultural machinery and any other activity related to crediting activity or are necessary for the adequate functioning of Mogo Albania.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*".

**Administrative, Management and Supervisory Parties of Mogo Albania SH.A.**

*Management*

Mogo Albania SH.A. is managed by a sole administrator (manager), who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole administrator of Mogo Albania SH.A. is:

- Irma Shkrepa, with business address at Rruga "Abdulla Keta", Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirana, Albania.

Irma Shkrepa has been working since 20 years in financial system in emerging markets on behalf of international financial entities investing into this area. She has proven leadership track records on transformational processes, leading and building credit businesses by holding top management positions as Business Developer, Head of Mortgage Business, Head of Alternative Channels at Raiffeisen Bank; CEO at NOA microfinance company, Retail manager, Loss adjuster for International Re-Insurance companies. She holds a Master degree on Management Business Administration, Post university degree "Senior Banker"; Executive Master Degree on "Banking and Corporate Finance"; "Professional trainer" license from Raiffeisen Academy.

Irma Shkrepa has no principal activities outside the Group.

### *Board of Directors*

Mogo Albania SH.A. is supervised by the board of directors consisting of 3 members of the Board of Directors, which has the right to supervise the sole administrator.

As of the date of this Prospectus, the board of directors of Mogo Albania SH.A. consists of:

- Kristīne Mora, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Kristine Mora holds Rigas Stradina Universitate Bachelor's and master's degree in law. From 2015 she is Head of Legal at Mogo Finance. Previously Kristine worked as Lawyer in ERGO Latvia and ActusQ and held various legal positions in SEB Banka.

- Māris Kreics, with business address at Skanstes street 50, Riga, Latvia, LV-1013

See "XXII. Management – Management of the Issuer" below.

- Irma Shkrepa, with business address at Rruga "Abdulla Keta", Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirane, Albania

Irma Shkrepa has been working since 20 years in financial system in emerging markets on behalf of international financial entities investing into this area. She has proven leadership track records on transformational processes, leading and building credit businesses by holding top management positions as Business Developer, Head of Mortgage Business, Head of Alternative Channels at Raiffeisen Bank; CEO at NOA microfinance company, Retail manager, Loss adjuster for International Re-Insurance companies. She holds a Master degree on Management Business Administration, Post university degree "Senior Banker"; Executive Master Degree on "Banking and Corporate Finance"; "Professional trainer" license from Raiffeisen Academy.

Kristīne Mora, Māris Kreics and Irma Shkrepa have no principal activities outside the Group.

### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### **Organizational Structure and Shareholders**

The sole shareholder of Mogo Albania SH.A. is Mogo Finance. There are no particular measures to prevent abusive exercise of control on Mogo Albania SH.A.. Its corporate governance structure, together with the provisions of Albanian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### *Share Capital of Mogo Albania SH.A.*

The share capital of Mogo Albania SH.A. is ALL 248,722,320.00 and is divided into 24,872,232 ordinary, fully paid-up shares with the nominal value of ALL 10.00 each.

### **Auditors**

The auditor of Mogo Albania SH.A. for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young Albania, incorporated under laws of Albania with its registered office at Str. Ibrahim Rugova, Sky Tower, Tirane, Albania. Ernst & Young Albania is a member of ACCA.

### ***Audit Committee***

As of the date of this Prospectus Mogo Albania SH.A. has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Mogo Albania SH.A. applies Albanian Law on Entrepreneurs and Companies and its articles of association.

Mogo Albania SH.A. complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Mogo Albania SH.A. is required by law to prepare annual audited stand-alone financial statements. Mogo Albania SH.A. is in compliance with such requirements.

Mogo Albania SH.A. is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Mogo Albania SH.A.***

For a description of the material contracts to which Mogo Albania SH.A. is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Mogo Albania SH.A.***

Mogo Albania SH.A. is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Mogo Albania SH.A.***

There has been no material adverse change in the prospects of Mogo Albania SH.A. since 31 December 2018.

### ***Outlook for Mogo Albania SH.A.***

For a description of the prospects of the Group, including Mogo Albania SH.A., please refer to Section “– *Recent Events and Trends*” below.

## (10) ООО “Мого Кредит” (“ООО “Mogo Credit””) (Belarus)

### Mogo Belarus

Legal and commercial name	ООО “Мого Кредит” (“ООО “Mogo Credit””)
Registration number	192981714
Date and place of incorporation	11 October 2017, Minsk
Registered office address	Petra Mstislavtsa street 24, office No. 172, 220114, Minsk, Belarus
Principal business activities	Vehicle financial leasing services
License:	License No. 133 (identification No.10132) issued by the National Bank of Belarus on 29 November 2017. The license has no expiration date.
Website:	<a href="http://www.mogo.by">www.mogo.by</a>  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### General Information about ООО “Mogo Credit”

#### *History and Development; Commercial Register*

ООО “Mogo Credit” was incorporated on 11 October 2017, and operates, under the laws of Belarus as a limited liability company with unlimited duration.

ООО “Mogo Credit” is registered with Register of enterprises of Belarus under No. 192981714.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is ООО “Mogo Credit” and it operates under the commercial name “ООО “Mogo Credit””.

The registered office of ООО “Mogo Credit” is at Petra Mstislavtsa street 24, office No. 172, 220114, Minsk, Belarus, and its telephone number is +375 17 388 28 66.

The financial year of ООО “Mogo Credit” commences on 1 January and ends on 31 December each calendar year.

### Business Overview

Vehicle financial leasing services.

According to the companies’ articles of association (Art. 2.1.), the purpose of ООО “Mogo Credit” is to generate profit to meet the social and business interests of the Company’s participants by conducting the business activity.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

## **Administrative, Management and Supervisory Parties of OOO “Mogo Credit”**

### *Management*

OOO “Mogo Credit” is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the sole director of the company is:

- Ivan Lagutin, with business address at Petra Mstislavtza street 24, office No. 172, 220114, Minsk, Belarus

Country Manager in Belarus since January 2018, Ivan holds an Executive MBA in management from Kozminski University – “triple crown” business school in Warsaw with accreditations from EQUIS, AMBA, and AACSB. He has an extensive experience in financial industry with over 7 years spent in various positions in corporate banking. Most recently Ivan held the position of the Head of corporate sales department at one of the most fast-growing and innovative banks in Belarus.

Ivan Lagutin has no principal activities outside the Group.

### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

## **Organizational Structure and Shareholders**

99.99% of OOO “Mogo Credit” issued shares are held by AS Mogo Eastern Europe and. 0.01 % of OOO “Mogo Credit” issued shares are held by AS “mogo”. There are no particular measures to prevent abusive exercise of control on OOO “Mogo Credit”. Its corporate governance structure, together with the provisions of Belarusian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### *Share Capital of OOO “Mogo Credit”*

The share capital of OOO “Mogo Credit” is BYN 125,000 and is represented by 1 ordinary, fully paid-up share with the nominal value of BYN 125,000.

## **Auditors**

The auditor of OOO “Mogo Credit” is not currently engaged.

## **Audit Committee**

As of the date of this Prospectus OOO “Mogo Credit” has no internal audit committee.

## **Corporate Governance**

In its decision making and administration, OOO “Mogo Credit” applies Belarusian law “On Public-Private Partnerships” and its articles of association.

OOO “Mogo Credit” complies with its country’s of incorporation corporate governance regime.

## **Financial Statements**

OOO “Mogo Credit” is required by law to prepare annual unaudited stand-alone financial statements. OOO “Mogo Credit” is in compliance with such requirements.

OOO “Mogo Credit” is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of OOO “Mogo Credit”**

For a description of the material contracts to which OOO “Mogo Credit” is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of OOO “Mogo Credit”**

OOO “Mogo Credit” is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of OOO “Mogo Credit”**

There has been no material adverse change in the prospects of OOO “Mogo Credit” since its incorporation.

### **Outlook for OOO “Mogo Credit”**

For a description of the prospects of the Group, including OOO “Mogo Credit”, please refer to Section “– *Recent Events and Trends*” below.

## ***(11) AS Mogo Eastern Europe (previously “SIA HUB 3”) (Latvia)***

Legal and commercial name	<b>AS Mogo Eastern Europe (Latvia) (previously “SIA HUB 3”)</b>
Registration number	40103964830
Date and place of incorporation	28 January 2016
Registered office address	Skanstes iela 50, Riga, LV-1013
Principal business activities	Holding entity
License:	No license required.
Website:	Not available.

### ***General Information about AS Mogo Eastern Europe***

#### *History and Development; Commercial Register*

AS Mogo Eastern Europe was incorporated on 28 January 2016, and operates, under the laws of Latvia as a limited liability company with unlimited duration.

AS Mogo Eastern Europe is registered with Register of enterprises of Latvia under No. 40103964830

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is AS Mogo Eastern Europe and it operates under the commercial name “AS Mogo Eastern Europe” (previously “SIA HUB 3”).

The registered office of AS Mogo Eastern Europe is at Skanstes iela 50, Riga, LV-1013, and its telephone number is +371 66 900 900.

The financial year of AS Mogo Eastern Europe commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Holding entity.

According to the companies' articles of association (Art. 3), the purpose of AS Mogo Eastern Europe is to conduct activities of holding companies, other financial service activities, except insurance and pension funding.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*".

### ***Administrative, Management and Supervisory Parties of AS Mogo Eastern Europe***

#### *Management*

AS Mogo Eastern Europe is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, board member of the company is:

- Valerij Petrov, with business address at Ukmerges g. 322-1, Vilnius, Lithuania.

Valerij Petrov is a Country Manager in Lithuania since January 2018 until January 2019, Valerij has been a COO in Lithuania since July 2014 and now is Mogo Eastern Europe 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.

#### *Supervisory board*

AS Mogo Baltics and Caucasus is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the sole director.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Haralds Dišereits, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Haralds Dišereits holds a Professional Master's Degree of law from the University of Latvia. Since August 2018 he is Regional lawyer of Latvia, Lithuania, Estonia, Georgia, and Armenia. Previously Haralds spent several years as a lawyer in law firm "O.Cers and J.Jurkāns".

- Marta Smila, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Marta Smila holds Latvijas Universitate Master's degree in law. From December 2017 Marta has fulfilled lawyer's duties in several Mogo Group companies and since March 2019 is Regional Lawyer of AS "Mogo Eastern Europe". Previously Marta worked as Lawyer in LLC Sanistal.

- Marina Samuilova, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Marina Samuilova holds Rigas Stradina Universitate Bachelor's degree in law. From September 2018 Marina is the Regional Lawyer of AS "HUB 2". Previously Marina worked as Lawyer in JSC Rietumu Bank.

Haralds Dišereits, Marta Smila and Marina Samuilova have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

The sole shareholder of AS Mogo Eastern Europe is Mogo Finance. There are no particular measures to prevent abusive exercise of control on AS Mogo Eastern Europe. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of AS Mogo Eastern Europe*

The share capital of AS Mogo Eastern Europe is EUR 38,888,90. The shares of AS AS Mogo Eastern Europe are divided in three categories: (1) A category shares – provide the rights to receive dividends, to receive liquidation quota and the voting rights; (2) B category shares – provide the rights to receive liquidation quota, without voting rights; (3) Personnel shares – provides the rights only to receive dividends. The share capital of AS Mogo Eastern Europe consists of 388 889 shares, each having nominal value EUR 0.10, which consists of 350,000 A category shares and 38 889 personnel shares. As of the date of this Prospectus, no B category shares are issued.

#### **Auditors**

The auditor of AS Mogo Eastern Europe for the financial year ended 31 December 2018 is Taxlink Consulting SIA, incorporated under laws of Latvia with its registered office at Dunties street 6, Riga, Latvia, LV-1013. Taxlink Consulting SIA is a member of the Latvian Association of Certified Auditors.

#### **Audit Committee**

As of the date of this Prospectus AS Mogo Eastern Europe has no internal audit committee.

#### **Corporate Governance**

In its decision making and administration, AS Mogo Eastern Europe applies Latvian Commercial Law and its articles of association.

AS Mogo Eastern Europe complies with its country's of incorporation corporate governance regime.

#### **Financial Statements**

AS Mogo Eastern Europe is required by law to prepare annual audited stand-alone financial statements. AS Mogo Eastern Europe is in compliance with such requirements.



AS Mogo Eastern Europe is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of AS Mogo Eastern Europe***

For a description of the material contracts to which AS Mogo Eastern Europe is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of AS Mogo Eastern Europe***

AS Mogo Eastern Europe is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of AS Mogo Eastern Europe***

There has been no material adverse change in the prospects of AS Mogo Eastern Europe since 31 December 2018.

### ***Outlook for AS Mogo Eastern Europe***

For a description of the prospects of the Group, including AS Mogo Eastern Europe, please refer to Section “– *Recent Events and Trends*” below.

## ***(12) Risk Management Service OÜ (Estonia).***

Legal and commercial name	<b>Risk Management Service OÜ</b>
Registration number	14176671
Date and place of incorporation	30 December 2016
Registered office address	Pärnu mnt 148, Tallinn, 11317, Harjuumaa, Estonia
Principal business activities	Debt recovery services for the Group
License:	No license required.
Website:	Not available.

### ***General Information about Risk Management Service OÜ***

#### *History and Development; Commercial Register*

Risk Management Service OÜ was incorporated on 30 December 2016, and operates, under the laws of Estonia as a limited liability company with unlimited duration.

Risk Management Service OÜ is registered with Register of enterprises of Estonia under No. 14176671.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is Risk Management Service OÜ and it operates under the commercial name “Risk Management Service OÜ”.

The registered office of Risk Management Service OÜ is at Pärnu mnt 148, Tallinn, 11317, Harjuumaa, Estonia, and its telephone number is +371 29 166 995.

The financial year of Risk Management Service OÜ commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Debt recovery services for the Group.

The articles of association of Risk Management Service OÜ do not provide for a business purpose. The following purpose has been indicated in the Commercial Register– “Other activities auxiliary to financial intermediation.”

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of Risk Management Service OÜ***

#### *Management*

Risk Management Service OÜ is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the sole director of the company is:

- Martins Muiznieks, with business address at Skanstes street 50, Riga, LV-1013, Latvia

Martins is a member of the Board of Risk Manager Services OÜ since December 2016. Martins has more than 18 years of experience in financial services. Before joining Risk Management Services, Martins was accounting manager in the largest financial services company in Latvia – Ernst & Young Baltic SIA – part of the global EY Group. For a period of 4 years, he served as manager of accounting outsourcing department. Martins holds a Master of Economics Degree in University of Latvia.

Martins Muiznieks has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of Risk Management Service OÜ is Mogo Finance. There are no particular measures to prevent abusive exercise of control on Risk Management Service OÜ. Its corporate governance structure, together with the provisions of Estonian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Risk Management Service OÜ*

The share capital of Risk Management Service OÜ is EUR 2,500 and is divided into 2,500 ordinary, fully paid-up shares with the nominal value of EUR 1.00 each.

### ***Auditors***

The auditor of Risk Management Service OÜ for the financial years ended 31 December 2017 and 31 December 2018 is Ernst & Young Baltic AS, incorporated

under laws of Estonia with its registered office at Räväla 4, Tallinn 10143 Estonia. Ernst & Young Baltic AS is a member of the Estonian Auditors' Association.

### ***Audit Committee***

As of the date of this Prospectus Risk Management Service OÜ has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Risk Management Service OÜ applies Estonian law and its articles of association.

Risk Management Service OÜ complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Risk Management Service OÜ is required by law to prepare annual unaudited stand-alone financial statements. Risk Management Service OÜ is in compliance with such requirements.

Risk Management Service OÜ is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Risk Management Service OÜ***

For a description of the material contracts to which Risk Management Service OÜ is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Risk Management Service OÜ***

Risk Management Service OÜ is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Risk Management Service OÜ***

There has been no material adverse change in the prospects of Risk Management Service OÜ since its incorporation.

### ***Outlook for Risk Management Service OÜ***

For a description of the prospects of the Group, including Risk Management Service OÜ, please refer to Section “– *Recent Events and Trends*” below.

### **(13) MOGO Universal Credit Organization LLC (Armenia)**

Legal and commercial name	<b>MOGO Universal Credit Organization LLC</b>
Registration number	42, registration certificate No.266
Date and place of incorporation	23 June 2017, Yerevan
Registered office address	18/2, Vardanants Street, Offices 4,5,6, 0010 Yerevan, Armenia
Principal business activities	Vehicle financial leasing services
License:	License for issuing any type of loan No.42 issued by the Central Bank of Armenia on 23.06.2017. The license has no expiration date.
Website:	www.mogo.am  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about MOGO Universal Credit Organization LLC**

#### *History and Development; Commercial Register*

MOGO Universal Credit Organization LLC was incorporated on 23 June 2017, and operates, under the laws of Armenia as a limited liability company with unlimited duration.

MOGO Universal Credit Organization LLC is registered with Register of enterprises of Armenia under No. 42, registration certificate No.266.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is MOGO Universal Credit Organization LLC and it operates under the commercial name "MOGO Universal Credit Organization LLC".

The registered office of MOGO Universal Credit Organization LLC is at 18/2, Vardanants Street, Offices 4,5,6, 0010 Yerevan, Armenia, and its telephone number is +374 12 700 700.

The financial year of MOGO Universal Credit Organization LLC commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Vehicle financial leasing services.

According to the companies' articles of association (Art. 2), the purpose of MOGO Universal Credit Organization LLC is to provide financial operations defined by the Law of credit, including to provide credits, loans, to implement financing of the debts and other commercial transactions, factoring, to implement financial leasing.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "Business", "Physical Footprint", "Marketing", "Underwriting and Review", "Portfolio Management", "Information Technology", "Credit and Risk Management", "Competition and Intellectual Property".

## ***Administrative, Management and Supervisory Parties of MOGO Universal Credit Organization LLC***

### *Management*

MOGO Universal Credit Organization LLC is managed by a sole general director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole general director of the company is

- Mesrop Arakelyan, with business address at 18/2, Vardanants Street, Offices 4,5,6, 0010 Yerevan, Armenia

Since 2017, Mesrop is a Country Manager in Mogo Armenia. Mesrop has more than 14-year experience in the financial and banking sector in Armenia. Most recently he spent about 4 years in one of the biggest banks of Armenia as Deputy chief risk officer. Mesrop holds PhD degree in economics. Mesrop Arakelyan has more than 10 year experience as a lecturer in Yerevan state university.

Mesrop Arakelyan has no principal activities outside the Group.

### *Supervisory board*

MOGO Universal Credit Organization LLC is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the sole general director.

As of the date of this Prospectus, supervisory board of the company consists of:

- Modestas Sudnius, with business address at Skanstes street 50, Riga, Latvia, LV-1013

See “XXII. Management – Management of the Issuer” below.

- Juris Pārups, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Juris Pārups holds B.Sc from Stockholm School of Economics in Riga and MBA from IMD Business School. From December 2017 he is Chief Operating Officer of Latvia, Lithuania, Estonia, Georgia, and Armenia, from September 2018 he is Latvian country manager. Previously Juris spent several years consulting financial services industry in The Boston Consulting Group London office, as well as held various finance management related roles in industry in the Baltic region. His career started in financial advisory at KPMG Riga office.

- Kārlis Bērziņš, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Since February 2018, Mr. Berzinš has been Chief Information Officer in the Latvia, Lithuania, Estonia, Georgia and Armenia region. He has previous work experience as IT Manager in joint venture RB Rail – company responsible for international project Rail Baltica implementation coordination, and, before that, Karlis has worked as Head of IT division and Baltic Management Team member in insurance company Gjensidige Baltic. He has a bachelor’s degree in E-commerce from RSEBAA.

Modestas Sudnius, Juris Pārups and Kārlis Bērziņš have no principal activities outside the Group.

### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of MOGO Universal Credit Organization LLC is AS Mogo Baltics and Caucasus. There are no particular measures to prevent abusive exercise of control on MOGO Universal Credit Organization LLC. Its corporate governance structure, together with the provisions of Armenian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### ***Share Capital of MOGO Universal Credit Organization LLC***

The share capital of MOGO Universal Credit Organization LLC is AMD 800,000,000 and is divided into 80,000,000 ordinary, fully paid-up shares with the nominal value of AMD 10.00 each.

#### ***Auditors***

The auditor of MOGO Universal Credit Organization LLC for the financial years ended 31 December 2017 and 31 December 2018 is Ernst and Young CJSC, incorporated under laws of Armenia with its registered office at RA, Yerevan-0001, 1 Northern Ave. NORD business center, office 27. Ernst and Young CJSC is a member of the Association of Accountants and Auditors of Armenia.

#### ***Audit Committee***

As of the date of this Prospectus MOGO Universal Credit Organization LLC has no internal audit committee.

#### ***Corporate Governance***

In its decision making and administration, MOGO Universal Credit Organization LLC applies Civil Code of the Republic of Armenia and its articles of association.

MOGO Universal Credit Organization LLC complies with its country's of incorporation corporate governance regime.

#### ***Financial Statements***

MOGO Universal Credit Organization LLC is required by law to prepare annual audited stand-alone financial statements. MOGO Universal Credit Organization LLC is in compliance with such requirements.

MOGO Universal Credit Organization LLC is required by law to prepare quarterly non-audited reports.

#### ***Material Contracts of MOGO Universal Credit Organization LLC***

For a description of the material contracts to which MOGO Universal Credit Organization LLC is a party to, please refer to Section “– *Material Agreements*” below.

#### ***Legal Proceedings of MOGO Universal Credit Organization LLC***

MOGO Universal Credit Organization LLC is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

**Material Adverse Change in the Prospects of MOGO Universal Credit Organization LLC**

There has been no material adverse change in the prospects of MOGO Universal Credit Organization LLC since 31 December 2018.

**Outlook for MOGO Universal Credit Organization LLC**

For a description of the prospects of the Group, including MOGO Universal Credit Organization LLC, please refer to Section “– Recent Events and Trends” below.

**(14) ТОВ МОГО УКРАЇНА ("MOGO UKRAINE" LLC ) (Ukraine)**

Legal and commercial name	<b>ТОВ МОГО УКРАЇНА</b>
Registration number	41738122
Date and place of incorporation	15 November 2017, Kyiv
Registered office address	Marshall Rybalka street, house 11b, office 8, Kyiv, 04116, Ukraine
Principal business activities	Vehicle financial leasing services
License:	License for financial lease No. 359 issued by the National Commission for the Regulation of Financial Services Markets on 15 March 2018. The license has no expiration date.
Website:	<a href="http://www.mogo.ua">www.mogo.ua</a>  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

**General Information about "MOGO UKRAINE" LLC**

*History and Development; Commercial Register*

"MOGO UKRAINE" LLC was incorporated on 15 November 2017, and operates, under the laws of Ukraine as a limited liability company with unlimited duration.

"MOGO UKRAINE" LLC is registered with Register of enterprises of Ukraine under No. 41738122.

*Legal and Commercial Name, Financial Year and Business address*

Company's legal name is ТОВ МОГО УКРАЇНА and it operates under the commercial name "ТОВ МОГО УКРАЇНА".

The registered office of "MOGO UKRAINE" LLC is at Marshall Rybalka street, house 11b, office 8, Kyiv, 04116, Ukraine, and its telephone number is (044) 3590120.

The financial year of "MOGO UKRAINE" LLC commences on 1 January and ends on 31 December each calendar year.

**Business Overview**

Vehicle financial leasing services.

According to the companies' articles of association (Art. 2.1), the purpose of "MOGO UKRAINE" LLC is carrying out of business activity for investment of its own or raised funds into leasing of the assets.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "Business", "Physical Footprint", "Marketing", "Underwriting and Review", "Portfolio Management", "Information Technology", "Credit and Risk Management", "Competition and Intellectual Property".

### ***Administrative, Management and Supervisory Parties of "MOGO UKRAINE" LLC***

#### *Management*

"MOGO UKRAINE" LLC is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Platon Yarmosh, with business address at Marshall Rybalka street, house 11b, office 8, Kyiv, 04116, Ukraine

Since November 2018, Platon is the director in Mogo Ukraine. Platon has experience in the legal sector in Ukraine as he is working in SDM Partners Law Firm as associate. He is now in process of finishing his studies at Taras Shevchenko National University of Kyiv.

The principal outside activities of Platon Yarmosh are being an associate at SDM Partners Law Firm.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and his private interests or his other duties.

### ***Organizational Structure and Participation Holders***

The sole holder of "MOGO UKRAINE" LLC is AS Mogo Eastern Europe. There are no particular measures to prevent abusive exercise of control on "MOGO UKRAINE" LLC. Its corporate governance structure, together with the provisions of Ukrainian corporate law, provides sufficient safe guards against the abuse of controlling interests by participation holders.

#### *Capital of "MOGO UKRAINE" LLC*

The capital of "MOGO UKRAINE" LLC is UAH 1,543,717.90 and is divided into participations instead of number of shares with 1 voting right per percentage of participation. The capital is fully paid-up and all participations grant the same rights to the participation holders of "MOGO UKRAINE" LLC.

#### ***Auditors***

The auditor of "MOGO UKRAINE" LLC is not currently engaged.

#### ***Audit Committee***

As of the date of this Prospectus "MOGO UKRAINE" LLC has no internal audit committee.



### **Corporate Governance**

In its decision making and administration, "MOGO UKRAINE" LLC applies Commercial Code of Ukraine and its articles of association.

"MOGO UKRAINE" LLC complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

"MOGO UKRAINE" LLC is required by law to prepare annual unaudited stand-alone financial statements. "MOGO UKRAINE" LLC is in compliance with such requirements.

"MOGO UKRAINE" LLC is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of "MOGO UKRAINE" LLC**

For a description of the material contracts to which "MOGO UKRAINE" LLC is a party to, please refer to Section "*– Material Agreements*" below.

### **Legal Proceedings of "MOGO UKRAINE" LLC**

"MOGO UKRAINE" LLC is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section "*– Legal Proceedings*" below.

### **Material Adverse Change in the Prospects of "MOGO UKRAINE" LLC**

"MOGO UKRAINE" LLC currently issues no new loans to its existing and potential customers in Ukraine and has its focus only on servicing the existing loan portfolio. Whether "MOGO UKRAINE" LLC will restart the issuance of new loans is currently being assessed by Group and it is planned that the respective decisions will be made in the beginning of 2020. Other than this, there has been no material adverse change in the prospects of "MOGO UKRAINE" LLC since its incorporation.

### **Outlook for "MOGO UKRAINE" LLC**

For a description of the prospects of the Group, including "MOGO UKRAINE" LLC, please refer to Section "*– Recent Events and Trends*" below.

### **(15) AS Mogo Baltics and Caucasus (Latvia) (previously “AS HUB 1”)**

Legal and commercial name	<b>AS Mogo Baltics and Caucasus (previously “AS HUB 1”)</b>
Registration number	40203145805
Date and place of incorporation	25 May 2018, Riga, the Republic of Latvia
Registered office address	Skanstes street 50, LV-1013 Riga, Latvia
Principal business activities	Holding entity
License:	No license required.
Website:	Not available.

### **General Information about AS Mogo Baltics and Caucasus**

#### *History and Development; Commercial Register*

AS Mogo Baltics and Caucasus was incorporated on 25 May 2018, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS Mogo Baltics and Caucasus is registered with Register of enterprises of the Republic of Latvia under No. 40203145805.

#### *Legal and Commercial Name, Financial Year and Business address*

The company’s legal name is AS Mogo Baltics and Caucasus and it operates under the commercial name AS Mogo Baltics and Caucasus (previously “AS “HUB 1””).

The registered office of AS Mogo Baltics and Caucasus is at Skanstes street 50, LV-1013 Riga, Latvia, and its telephone number is +371 66 900 900.

The financial year of AS Mogo Baltics and Caucasus commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Holding entity.

According to the companies’ articles of association (Art. 3), the purpose of AS Mogo Baltics and Caucasus is to conduct activities of holding companies and other financial service activities, except insurance and pension funding.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”. Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Latvia – under Section “*Regulatory Framework*”.

### **Administrative, Management and Supervisory Parties of AS Mogo Baltics and Caucasus**

#### *Management*

AS Mogo Baltics and Caucasus is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the sole director of the company is:

- Jānis Lucaus, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Jānis Lucaus holds an MBA from Riga International School of Economics and Business and Business administration (RISEBA). From October 2019, he is the Chief Executive Officer of AS Mogo Baltics and Caucasus, managing the development of the company in the Baltic States, Georgia, and Armenia. He is an experienced professional with almost 20 years in the banking and insurance field. He spent more than ten years in an executive role in the non-life insurance business as CEO of the leading Baltic non-life insurance company – particularly in BTA Baltic Insurance Company AAS. Before the non-life insurance business, he worked for almost ten years in the banking sector - Swedbank AS (previously – Hansabanka Latvija AS) and Latvijas Krājbanka AS (Latvian Savings Bank).

Jānis Lucaus has no principal activities outside the Group.

#### *Supervisory board*

AS Mogo Baltics and Caucasus is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the sole director.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Haralds Dišereits, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Haralds Dišereits holds a Professional Master`s Degree of law from the University of Latvia. Since August 2018 he is Regional lawyer of Latvia, Lithuania, Estonia, Georgia, and Armenia. Previously Haralds spent several years as a lawyer in law firm “O.Cers and J.Jurkāns”.

- Marta Smila, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Marta Smila holds Latvijas Universitate Master's degree in law. From December 2017 Marta has fulfilled lawyer's duties in several Mogo Group companies and since March 2019 is Regional Lawyer of AS “Mogo Eastern Europe”. Previously Marta worked as Lawyer in LLC Sanistal.

- Marina Samuilova, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Marina Samuilova holds Rigas Stradina Universitate Bachelor`s degree in law. From September 2018 Marina is the Regional Lawyer of AS “HUB 2”. Previously Marina worked as Lawyer in JSC Rietumu Bank.

Haralds Dišereits, Marta Smila and Marina Samuilova have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and the supervisory board and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

100% of AS Mogo Baltics and Caucasus issued shares with voting rights are held by Mogo Finance. There are no particular measures to prevent abusive exercise of control on AS Mogo Baltics and Caucasus. Its corporate governance structure,

together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### ***Share Capital of AS Mogo Baltics and Caucasus***

The share capital of AS Mogo Baltics and Caucasus is EUR 43,500. The shares of AS Mogo Baltics and Caucasus are divided in three categories: (1) A category shares – provide the rights to receive dividends, to receive liquidation quota and the voting rights; (2) B category shares – provide the rights to receive liquidation quota, without voting rights; (3) Personnel shares – provides the rights only to receive dividends. The share capital of AS Mogo Baltics and Caucasus consists of 435 000 shares, each having nominal value EUR 0.10, which consists of 391,500 A category shares and 43 500 personnel shares. As of the date of this Prospectus, no B category shares are issued.

#### ***Auditors***

The auditor of AS Mogo Baltics and Caucasus for the financial years ended 31 December 2018 is Ernst & Young Baltic SIA, incorporated under laws of Latvia with its registered office at Muižas street 1A, Riga, Latvia, LV-1010. Ernst & Young Baltic SIA is a member of the Latvian Association of Certified Auditors.

#### ***Audit Committee***

As of the date of this Prospectus AS Mogo Baltics and Caucasus has no internal audit committee.

#### ***Corporate Governance***

In its decision making and administration, AS Mogo Baltics and Caucasus applies Latvian Commercial law (*Komerclikums*) and its articles of association.

AS Mogo Baltics and Caucasus complies with its country's of incorporation corporate governance regime.

#### ***Financial Statements***

AS Mogo Baltics and Caucasus is required by law to prepare annual audited stand-alone and unaudited consolidated financial statements. AS Mogo Baltics and Caucasus is in compliance with such requirements.

AS Mogo Baltics and Caucasus is not required to prepare and has not prepared interim financial statements.

#### ***Material Contracts of AS Mogo Baltics and Caucasus***

For a description of the material contracts to which AS Mogo Baltics and Caucasus is a party to, please refer to Section “– *Material Agreements*” below.

#### ***Legal Proceedings of AS Mogo Baltics and Caucasus***

AS Mogo Baltics and Caucasus is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

#### ***Material Adverse Change in the Prospects of AS Mogo Baltics and Caucasus***

There has been no material adverse change in the prospects of AS Mogo Baltics and Caucasus since 31 December 2018.

## **Outlook for AS Mogo Baltics and Caucasus**

For a description of the prospects of the Group, including AS Mogo Baltics and Caucasus, please refer to Section “– Recent Events and Trends” below.

### **(16) AS “HUB 2” (Latvia)**

Legal and commercial name	<b>AS “HUB 2”</b>
Registration number	40203150045
Date and place of incorporation	13 June 2018, Riga, the Republic of Latvia
Registered office address	Skanstes street 50, LV-1013 Riga, Latvia
Principal business activities	Holding entity
License:	No license required.
Website:	Not available.

### **General Information about AS “HUB 2”**

#### *History and Development; Commercial Register*

AS “HUB 2” was incorporated on 13 June 2018, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS “HUB 2” is registered with Register of enterprises of the Republic of Latvia under No. 40203150045.

#### *Legal and Commercial Name, Financial Year and Business address*

The company’s legal name is AS “HUB 2” and it operates under the commercial name “AS “HUB 2””.

The registered office of AS “HUB 2” is at Skanstes street 50, LV-1013 Riga, Latvia, and its telephone number is +371 66 900 900.

The financial year of AS “HUB 2” commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Holding entity.

According to the companies’ articles of association (Art. 3), the purpose of AS “HUB 2” is activities of holding companies and other financial service activities, except insurance and pension funding.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”. Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Latvia – under Section “*Regulatory Framework*”.

## ***Administrative, Management and Supervisory Parties of AS “HUB 2”***

### *Management*

AS “HUB 2” is managed by the Management Board which consist of 2 members – Member of the Management Board and Chairman of the Management Board. Each Member of the Management Board has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the members of the management board of the company are:

- Chairman of the Management Board – Stanislav Tuzlucov, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia
- Member of the Management Board – Jeļena Bičkova, with business address at with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

Stanislav Tuzlucov has 17 years' experience in Banking and Finance companies. Before joining Mogo, Stanislav was managing as CEO the non-banking microfinance company in Moldova IUTE CREDIT LLC, part of IUTE CREDIT GROUP. During 3 year of Stanislav's Managing, the company became leading microfinance company in MOLDOVA with the fastest growth rate, ROE and ROI. Stanislav has a University degree in Finance and Insurance from Academy of Economic Studies of Moldova and Master Degree in Banking and stock exchange from International Free University of Moldova.

Stanislav Tuzlucov has no principal activities outside the Group.

Jeļena Bičkova holds a Master's degree from University of Latvia. From September 2018 has overall responsibility for finance team delivery in 5 countries (Kosovo, Macedonia, Bulgaria, Bosnia and Hercegovina and Albania). Last 6 years Jeļena worked as Senior Accounting Manager in Circle K Business centre established strong team and delivered financial services to 7 countries.

Jeļena Bičkova has no principal activities outside the Group.

### *Supervisory board*

AS “HUB 2” 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 company consists of:

- Chairman of the supervisory board – Marina Samuilova, with business address at 50 Skanstes Street, Riga, LV-1013
- Deputy of the chairman of the supervisory board – Marta Smila, with business address at 50 Skanstes Street, Riga, LV-1013
- Member of the supervisory board – Haralds Dišereits, with business address at 50 Skanstes Street, Riga, LV-1013

Marina Samuilova holds Rigas Stradina Universitate Bachelor's degree in law. From September 2018 Marina is the Regional Lawyer of AS “HUB 2”. Previously Marina worked as Lawyer in JSC Rietumu Bank.

Marta Smila holds Latvijas Universitate Master's degree in law. From December 2017 Marta has fulfilled lawyer's duties in several Mogo Group companies and since March 2019 is Regional Lawyer of AS “Mogo Eastern Europe”. Previously Marta worked as Lawyer in LLC Sanistal.

Haralds Dišereits holds a Professional Master's Degree of law from the University of Latvia. Since August 2018 he is Regional Lawyer of Latvia, Lithuania, Estonia, Georgia, and Armenia. Previously Haralds spent several years as a lawyer in law firm "O.Cers and J.Jurkāns".

Haralds Dišereits, Marta Smila and Marina Samuilova have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and the supervisory board and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

100% of AS "HUB 2" issued shares are held by Mogo Finance. There are no particular measures to prevent abusive exercise of control on AS "HUB 2". Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of AS "HUB 2"*

The share capital of AS "HUB 2" is EUR 42,559,60. The shares of AS AS Mogo Eastern Europe are divided in three categories: (1) A category shares – provide the rights to receive dividends, to receive liquidation quota and the voting rights; (2) B category shares – provide the rights to receive liquidation quota, without voting rights; (3) Personnel shares – provides the rights only to receive dividends. The share capital of "HUB 2" consists of 425,596 shares, each having nominal value EUR 0.10, which consists of 363,296 A category shares, 27,300 B category shares, and 35,000 personnel shares.

#### **Auditors**

The auditor of AS "HUB 2" for the financial years ended 31 December 2018 is Revidentu birojs Gatis Svīklis Lāsma Svīkle SIA, incorporated under laws of Latvia with its registered office at Kr. Valdemāra Street 123-15, Riga, LV-1013. Revidentu birojs Gatis Svīklis Lāsma Svīkle SIA Gatis Svīklis is a member of the Association of Chartered Certified Accountants.

#### **Audit Committee**

As of the date of this Prospectus AS "HUB 2" has no internal audit committee.

#### **Corporate Governance**

In its decision making and administration, AS "HUB 2" applies Latvian Commercial law (*Komerclikums*) and its articles of association.

AS "HUB 2" complies with its country's of incorporation corporate governance regime.

#### **Financial Statements**

AS "HUB 2" is required by law to prepare annual audited stand-alone financial statements. AS "HUB 2" is in compliance with such requirements.

AS "HUB 2" is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of AS “HUB 2”**

For a description of the material contracts to which AS “HUB 2” is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of AS “HUB 2”**

AS “HUB 2” is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of AS “HUB 2”**

There has been no material adverse change in the prospects of AS “HUB 2” since 31 December 2018.

### **Outlook for AS “HUB 2”**

For a description of the prospects of the Group, including AS “HUB 2”, please refer to Section “– *Recent Events and Trends*” below.

### **(17) AS Mogo Central Asia (previously AS “HUB 4”) (Latvia)**

Legal and commercial name	<b>AS Mogo Central Asia (previously AS “HUB 4”)</b>
Registration number	40203150030
Date and place of incorporation	13 June 2018, Riga, the Republic of Latvia
Registered office address	Skanstes street 50, LV-1013 Riga, Latvia
Principal business activities	Holding entity
License:	No license required.
Website:	Not available.

### **General Information about AS Mogo Central Asia**

#### *History and Development; Commercial Register*

AS Mogo Central Asia was incorporated on 13 June 2018, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS Mogo Central Asia is registered with Register of enterprises of the Republic of Latvia under No. 40203150030.

#### *Legal and Commercial Name, Financial Year and Business address*

The company’s legal name is AS Mogo Central Asia and it operates under the commercial name AS Mogo Central Asia (previously AS “HUB 4”).

The registered office of AS Mogo Central Asia is at Skanstes street 50, LV-1013 Riga, Latvia, and its telephone number is +371 66 900 900.

The financial year of AS Mogo Central Asia commences on 1 January and ends on 31 December each calendar year.



## **Business Overview**

Holding entity.

According to the companies' articles of association (Art. 3), the purpose of AS Mogo Central Asia activities of holding companies, Other financial service activities, except insurance and pension funding n.e.c. as well as other business activities allowed by the laws of the Republic of Latvia.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*". Further, the regulatory framework of business operations is described in more detail – and also for the jurisdiction of Latvia – under Section "*Regulatory Framework*".

### **Administrative, Management and Supervisory Parties of AS Mogo Central Asia**

#### *Management*

AS Mogo Central Asia is managed by a board of directors, with a chairman which have the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the members of the board of directors are:

- Modestas Sudnius, chairman, with business address at Skanstes street 50, Riga, Latvia, LV-1013

See "*XXII. Management – Management of the Issuer*" below.

- Maris Kreics, with business address at Skanstes street 50, Riga, Latvia, LV-1013

See "*XXII. Management – Management of the Issuer*" below.

Modestas Sudnius and Maris Kreics have no principal activities outside the Group.

#### *Supervisory board*

AS Mogo Central Asia is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the sole director.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Marina Samuilova, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Marina Samuilova holds Rigas Stradina Universitate Bachelor's degree in law. From September 2018 Marina is the Regional Lawyer of AS "HUB 2". Previously Marina worked as Lawyer in JSC Rietumu Bank.

- Haralds Dišereits, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Haralds Dišereits holds a Professional Master's Degree of law from the University of Latvia. Since August 2018 he is Regional lawyer of Latvia, Lithuania, Estonia, Georgia, and Armenia. Previously Haralds spent several years as a lawyer in law firm "O.Cers and J.Jurkāns".

- Marta Smila, with business address at Skanstes street 50, Riga, Latvia, LV-1013

Marta Smila holds Latvijas Universitate Master's degree in law. From December 2017 Marta has fulfilled lawyer's duties in several Mogo Group companies and since March 2019 is Regional Lawyer of AS "Mogo Eastern Europe". Previously Marta worked as Lawyer in LLC Sanistal.

Haralds Dišereits, Marta Smila and Marina Samuilova have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and the supervisory board and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

100% of AS Mogo Central Asia issued shares are held by Mogo Finance. There are no particular measures to prevent abusive exercise of control on AS Mogo Central Asia. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of AS Mogo Central Asia*

The share capital of AS Mogo Central Asia is EUR 35,000 and is divided into 350,000 ordinary, fully paid-up shares with the nominal value of EUR 0.10 each.

#### **Auditors**

The auditor of AS Mogo Central Asia for the financial year ended 31 December 2018 is Taxlink Consulting SIA, incorporated under laws of Latvia with its registered office at Dunties street 6, Riga, Latvia, LV-1013. Taxlink Consulting SIA is a member of the Latvian Association of Certified Auditors.

#### **Audit Committee**

As of the date of this Prospectus AS Mogo Central Asia has no internal audit committee.

#### **Corporate Governance**

In its decision making and administration, AS Mogo Central Asia applies Latvian Commercial law (*Komerclikums*) and its articles of association.

AS Mogo Central Asia complies with its country's of incorporation corporate governance regime.

#### **Financial Statements**

AS Mogo Central Asia is required by law to prepare annual audited stand-alone financial statements. AS Mogo Central Asia in compliance with such requirements.

AS Mogo Central Asia is not required to prepare and has not prepared interim financial statements.

#### **Material Contracts of AS Mogo Central Asia**

For a description of the material contracts to which AS Mogo Central Asia is a party to, please refer to Section "– *Material Agreements*" below.

### **Legal Proceedings of AS Mogo Central Asia**

AS Mogo Central Asia is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– Legal Proceedings” below.

### **Material Adverse Change in the Prospects of AS Mogo Central Asia**

There has been no material adverse change in the prospects of AS Mogo Central Asia since 31 December 2018.

### **Outlook for AS Mogo Central Asia**

For a description of the prospects of the Group, including AS Mogo Central Asia, please refer to Section “– Recent Events and Trends” below.

### **(18) AS Longo Group (Latvia)**

Legal and commercial name	<b>AS Longo Group</b>
Registration number	42103081417
Date and place of incorporation	30 October 2017, Riga, Latvia
Registered office address	Skanstes iela 50, Riga, LV-1013, Latvia
Principal business activities	Holding entity, sale of cars and light motor vehicles
License:	No license required.
Website:	Not available.

### **General Information about AS Longo Group (Latvia)**

#### *History and Development; Commercial Register*

AS Longo Group was incorporated on 30 October 2017, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS Longo Group is registered with Register of enterprises of Latvia under No. 42103081417.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is AS Longo Group and it operates under the commercial name “AS Longo Group”.

The registered office of AS Longo Group is at Skanstes iela 50, Riga, LV-1013, Latvia, and its telephone number is+371 29995502.

The financial year of AS Longo Group commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Sale of cars and light motor vehicles.

According to the companies' articles of association (Art. 3), the purpose of AS Longo Group is activities of holding companies, other financial service activities, except insurance and pension funding n.e.c. as well as other business activities allowed by the laws of the Republic of Latvia.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*".

### ***Administrative, Management and Supervisory Parties of AS Longo Group***

#### *Management*

AS Longo Group is managed by a sole director / chairman of the board, who has the right to represent the company vis-à-vis third parties. There are no other members of the board as of the date of this Prospectus.

As at the date of this Prospectus, chairman of the board of the company is:

- Edgars Cērps, with business address at Skanstes iela 50, Riga, LV-1013, Latvia

Edgars Cērps has an MBA degree from INSEAD and a B.Sc. from the Stockholm School of Economics in Riga. Previous experience of Edgars Cērps is in strategy consulting and high-tech operations. Before joining AS Longo Group Edgars Cērps held the position of Head of Operations in Latvia at Uber.

Edgars Cērps has no principal activities outside the Group.

#### *Supervisory board*

AS Longo Group is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the chairman of the board.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Liena Galbalina, with business address at Skanstes iela 50, Riga, LV-1013, Latvia
- Jānis Naglis, with business address at Skanstes iela 50, Riga, LV-1013, Latvia
- Jacob Willem Hoogenboom, with business address at Skanstes iela 50, Riga, LV-1013, Latvia

Liena Galbalina, Jānis Naglis and Jacob Willem Hoogenboom have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of AS Longo Group is Mogo Finance S.A. There are no particular measures to prevent abusive exercise of control on AS Longo Group. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### *Share Capital of AS Longo Group*

The share capital of AS Longo Group is EUR 266,000.00 and is represented by 1 ordinary, fully paid-up share with the nominal value of EUR 266,000.00.

### **Auditors**

The auditor of subsidiary for the financial years ended 31 December 2018 is SIA "TaxLink Latvija", incorporated under laws of Latvia with its registered office at Dunties street 6-213, Riga, Latvia.

### **Audit Committee**

As of the date of this Prospectus AS Longo Group has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, AS Longo Group applies Commercial Law of Latvia and its articles of association.

AS Longo Group complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

AS Longo Group is required by law to prepare annual audited stand-alone financial statements. AS Longo Group is in compliance with such requirements.

AS Longo Group is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of AS Longo Group**

For a description of the material contracts to which AS Longo Group is a party to, please refer to Section "*– Material Agreements*" below.

### **Legal Proceedings of AS Longo Group**

AS Longo Group is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section "*– Legal Proceedings*" below.

### **Material Adverse Change in the Prospects of AS Longo Group**

There has been no material adverse change in the prospects of AS Longo Group since 31 December 2018.

### **Outlook for AS Longo Group**

For a description of the prospects of the Group, including AS Longo Group, please refer to Section "*– Recent Events and Trends*" below.

### **(19) AS Longo Latvia (Latvia)**

Legal and commercial name	<b>AS Longo Latvia</b>
Registration number	40203147079
Date and place of incorporation	25 May 2018, Riga, Latvia
Registered office address	Skanstes iela 50, Riga, LV-1013, Latvia
Principal business activities	sale of cars and light motor vehicles, sale of other motor vehicles
License:	No license required
Website:	www.longo.lv  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about AS Longo Latvia (Latvia)**

#### *History and Development; Commercial Register*

AS Longo Latvia was incorporated on 25 May 2018, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS Longo Latvia is registered with Register of enterprises of Latvia under No. 40203147079.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is AS Longo Latvia and it operates under the commercial name "AS Longo Latvia".

The registered office of AS Longo Latvia is at Skanstes iela 50, Riga, LV-1013, Latvia, and its telephone number is +371 29995502.

The financial year of AS Longo Latvia commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Sale of cars and light motor vehicles, sale of other motor vehicles

According to the companies' articles of association (Art. 3), the purpose of AS Longo Latvia is sale of cars and light motor vehicles and sale of other motor vehicles.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "Business", "Physical Footprint", "Marketing", "Underwriting and Review", "Portfolio Management", "Information Technology", "Credit and Risk Management", "Competition and Intellectual Property".

### **Administrative, Management and Supervisory Parties of AS Longo Latvia**

#### *Management*

AS Longo Latvia is managed by a sole director / chairman of the board, who has the right to represent the company vis-à-vis third parties. There are no other members of the board as of the date of this Prospectus.

As at the date of this Prospectus, chairman of the board of the company is:

- Jānis Naglis, with business address at Skanstes iela 50, Riga, LV-1013, Latvia

Jānis Naglis has a B.Sc. from the Stockholm School of Economics in Riga. Before joining AS Longo Latvia he held the positions Solution Owner and Project Controller at Nokia. Jānis Naglis is currently also holding the position of Head of Finance at AS Longo Group.

Jānis Naglis has no principal activities outside the Group.

#### *Supervisory board*

AS Longo Latvia is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the chairman of the board.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Edgars Cērps, with business address at Skanstes iela 50, Riga, LV-1013, Latvia
- Jacob Willem Hoogenboom, with business address at Skanstes iela 50, Riga, LV-1013, Latvia
- Modestas Sudnius, with business address at Skanstes iela 50, Riga, LV-1013, Latvia

Edgars Cērps, Jacob Willem Hoogenboom and Modestas Sudnius have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

The sole shareholder of AS Longo Latvia is AS Longo Group (Latvia). There are no particular measures to prevent abusive exercise of control on AS Longo Latvia. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of AS Longo Latvia*

The share capital of AS Longo Latvia is EUR 645,000.00 and is represented by 645,000 ordinary, fully paid-up share with the nominal value of EUR 1.

#### **Auditors**

The auditor of subsidiary for the financial years ended 31 December 2018 is SIA "TaxLink Latvija, incorporated under laws of Latvia with its registered office at Dunties street 6-213, Riga, Latvia.

#### **Audit Committee**

As of the date of this Prospectus AS Longo Latvia has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, AS Longo Latvia applies Commercial Code of Latvia and its articles of association.

AS Longo Latvia complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

AS Longo Latvia is required by law to prepare annual audited stand-alone financial statements. AS Longo Latvia is in compliance with such requirements.

AS Longo Latvia is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of AS Longo Latvia**

For a description of the material contracts to which AS Longo Latvia is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of AS Longo Latvia**

AS Longo Latvia is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of AS Longo Latvia**

There has been no material adverse change in the prospects of AS Longo Latvia since 31 December 2018.

### **Outlook for AS Longo Latvia**

For a description of the prospects of the Group, including AS Longo Latvia, please refer to Section “– *Recent Events and Trends*” below.



## **(20) UAB Longo LT (Lithuania)**

Legal and commercial name	<b>UAB Longo LT</b>
Registration number	304837699
Date and place of incorporation	04 May 2018, Vilnius, Lithuania
Registered office address	Perkunkiemo St 13-91, Vilnius, Lithuania
Principal business activities	Sale of cars and light motor vehicles, sale of other motor vehicles
License:	No license required
Website:	www.longo.lt

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

### **General Information about UAB Longo LT (Lithuania)**

#### *History and Development; Commercial Register*

UAB Longo LT was incorporated on 04 May 2018, and operates, under the laws of Lithuania as a limited liability company with unlimited duration.

UAB Longo LT is registered with Register of enterprises of Lithuania under No. 304837699.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is UAB Longo LT and it operates under the commercial name "UAB Longo LT".

The registered office of UAB Longo LT is at Perkunkiemo St 13-91, Vilnius, Lithuania, and its telephone number is +370 52030012.

The financial year of UAB Longo LT commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Sale of cars and light motor vehicles, sale of other motor vehicles

According to the companies' articles of association (Art. 2.1.), the purpose of UAB Longo LT is forwarding activity, stock management and management and related activities.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "Business", "Physical Footprint", "Marketing", "Underwriting and Review", "Portfolio Management", "Information Technology", "Credit and Risk Management", "Competition and Intellectual Property".

#### **Administrative, Management and Supervisory Parties of UAB Longo LT**

##### *Management*

UAB Longo LT is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Paulius Valiukenas, with business address at Perkunkiemo St 13-91, Vilnius, Lithuania

Paulius Valiukenas has obtained bachelor degree in Transport Engineering, Automobile Transport Engineering at Vilniaus Gedimino Technikos Universitetas. Prior to joining UAB Longo LT Paulius Valiukenas held the position of Head of Vehicle Evaluation Department at UAB Mogo LT.

Paulius Valiukenas has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and his private interests or his other duties.

#### **Organizational Structure and Shareholders**

The sole shareholder of UAB Longo LT is AS Longo Group (Latvia). There are no particular measures to prevent abusive exercise of control on UAB Longo LT. Its corporate governance structure, together with the provisions of Lithuanian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of UAB Longo LT*

The share capital of UAB Longo LT is EUR 2,500.00 and is represented by 2,500 ordinary, fully paid-up share with the nominal value of EUR 1.

#### **Auditors**

The auditor of UAB Longo LT is not currently engaged.

#### **Audit Committee**

As of the date of this Prospectus UAB Longo LT has no internal audit committee.

#### **Corporate Governance**

In its decision making and administration, UAB Longo LT applies Lithuanian Law on Companies and its articles of association.

UAB Longo LT complies with its country's of incorporation corporate governance regime.

#### **Financial Statements**

UAB Longo LT is required by law to prepare annual unaudited stand-alone financial statements. UAB Longo LT is in compliance with such requirements.

UAB Longo LT is not required to prepare and has not prepared interim financial statements.

#### **Material Contracts of UAB Longo LT**

For a description of the material contracts to which UAB Longo LT is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of UAB Longo LT***

UAB Longo LT is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of UAB Longo LT***

There has been no material adverse change in the prospects of UAB Longo LT since its incorporation.

### ***Outlook for UAB Longo LT***

For a description of the prospects of the Group, including UAB Longo LT, please refer to Section “– *Recent Events and Trends*” below.

## ***(21) Longo Estonia OU (Estonia)***

Legal and commercial name	<b>Longo Estonia OU</b>
Registration number	14554950
Date and place of incorporation	30 August 2018, Tallinn, Estonia
Registered office address	Harju maakond, Tallinn, Kesklinna linnaosa, Parnu mnt 22, 10141, Republic of Estonia
Principal business activities	Sale of cars and light motor vehicles, sale of other motor vehicles
License:	No license required
Website:	<a href="http://www.longo.ee">www.longo.ee</a>  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

## ***General Information about Longo Estonia OU (Estonia)***

### ***History and Development; Commercial Register***

Longo Estonia OU was incorporated on 30 August 2018, and operates, under the laws of Estonia as a limited liability company with unlimited duration.

Longo Estonia OU is registered with Register of enterprises of Estonia under No. 14554950.

### ***Legal and Commercial Name, Financial Year and Business address***

Company’s legal name is Longo Estonia OU and it operates under the commercial name “Longo Estonia OU”.

The registered office of Longo Estonia OU is at Harju maakond, Tallinn, Kesklinna linnaosa, Parnu mnt 22, 10141, Estonia, and its telephone number is +372 6003115.

The financial year of Longo Estonia OU commences on 1 January and ends on 31 December each calendar year.

## ***Business Overview***

Sale of cars and light motor vehicles, sale of other motor vehicles.

According to the companies' articles of association (Art. 3), the purpose of Longo Estonia OU is renting and leasing of cars and light motor vehicles.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*".

## ***Administrative, Management and Supervisory Parties of Longo Estonia OU***

### *Management*

Longo Estonia OU is managed by two directors, who have the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the two directors of the company are

- Jacob Willem Hoogenboom, with business address at Pärnu rd 22, 10141 Tallinn, Harju county, Estonia

Prior to joining Longo Estonia OU Jacob Willem Hoogenboom had sales and management experience in the position of Head of representative office at MeesPierson and Intertrust and held the position of senior consultant at Bain & Company.

- Edgars Cērps, with business address at Skanstes iela 50, Riga, LV-1013, Latvia

Edgars Cērps has an MBA degree from INSEAD and a B.Sc. from the Stockholm School of Economics in Riga. Previous experience of Edgars Cērps is in strategy consulting and high-tech operations. Before joining AS Longo Group Edgars Cērps held the position of Head of Operations in Latvia at Uber.

Jacob Willem Hoogenboom and Edgars Cērps have no principal activities outside the Group.

### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

## ***Organizational Structure and Shareholders***

The sole shareholder of Longo Estonia OU is AS Longo Group (Latvia). There are no particular measures to prevent abusive exercise of control on Longo Estonia OU. Its corporate governance structure, together with the provisions of Estonian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### *Share Capital of Longo Estonia OU*

The share capital of Longo Estonia OU is EUR 2,500.00 and is represented by 2,500 ordinary, fully paid-up share with the nominal value of EUR 1.

**Auditors**

The auditor of Longo Estonia OU is not currently engaged.

**Audit Committee**

As of the date of this Prospectus Longo Estonia OU has no internal audit committee.

**Corporate Governance**

In its decision making and administration, Longo Estonia OU applies Commercial Code of Estonia and its articles of association.

Longo Estonia OU complies with its country's of incorporation corporate governance regime.

**Financial Statements**

Longo Estonia OU is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, Longo Estonia OU has not prepared financial statements yet.

Longo Estonia OU is not required to prepare and has not prepared interim financial statements.

**Material Contracts of Longo Estonia OU**

For a description of the material contracts to which Longo Estonia OU is a party to, please refer to Section “– *Material Agreements*” below.

**Legal Proceedings of Longo Estonia OU**

Longo Estonia OU is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

**Material Adverse Change in the Prospects of Longo Estonia OU**

There has been no material adverse change in the prospects of Longo Estonia OU since its incorporation.

**Outlook for Longo Estonia OU**

For a description of the prospects of the Group, including Longo Estonia OU, please refer to Section “– *Recent Events and Trends*” below.

## **(22) Longo Netherlands B.V. (Netherlands)**

Legal and commercial name	<b>Longo Netherlands B.V.</b>
Registration number	858817986
Date and place of incorporation	23 May 2018
Registered office address	Winthontlaan 200, 3526KV Utrecht, the Netherlands
Principal business activities	Holding of cars in stock for commercial usage and (b) exporting cars and process export documents in its own name
License:	License number 8731538 issued by the Dutch state road administration for (a) holding of cars in stock for commercial usage and (b) exporting cars and process export documents in its own name.
Website:	www.longo.nl  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about Longo Netherlands B.V. (Netherlands)**

#### *History and Development; Commercial Register*

Longo Netherlands B.V. was incorporated on 23 May 2018, and operates, under the laws of the Kingdom of the Netherlands as a limited liability company with unlimited duration.

Longo Netherlands B.V. is registered with Register of enterprises of the Kingdom of the Netherlands under No. 858817986.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Longo Netherlands B.V. and it operates under the commercial name "Longo Netherlands B.V.".

The registered office of Longo Netherlands B.V. is at Winthontlaan 200, 3526KV Utrecht, the Netherlands, and its telephone number is 0183-513867.

The financial year of Longo Netherlands B.V. commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Sale of other vehicles.

According to the companies' articles of association (Art. 2), the purpose of Longo Netherlands B.V. is the commercial purchase, import, sale and export of vehicles and/or the manufacture of vehicles for the purpose of sale, incorporation and acquisition of, participation in, cooperation with, management of, as well the direct or indirect financing of other companies, in whatever legal form, the issue and taking loans, management and disposal of registered property and the provision of security, also for third party debts, all other activities that are connected with or conducive to the above in the broadest sense of the word.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management,

please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of Longo Estonia OU***

#### *Management*

Longo Netherlands B.V. is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Jacob Willem Hoogenboom, with business address at Winthontlaan 200, 3526KV Utrecht, the Netherlands

Prior to joining Longo Netherlands B.V. Jacob Willem Hoogenboom had sales and management experience in the position of Head of representative office at MeesPierson and Intertrust and held the position of senior consultant at Bain & Company.

Jacob Willem Hoogenboom has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of Longo Netherlands B.V. is AS Longo Group (Latvia). There are no particular measures to prevent abusive exercise of control on Longo Netherlands B.V. Its corporate governance structure, together with the provisions of Dutch corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Longo Netherlands B.V.*

The share capital of Longo Netherlands B.V. is EUR 10,000.00 and is represented by 10,000.00 ordinary, fully paid-up share with the nominal value of EUR 1, each.

### ***Auditors***

The auditor of Longo Netherlands B.V. is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus Longo Netherlands B.V. has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Longo Netherlands B.V. applies Law of Private Limited Companies of the Kingdom of the Netherlands and its articles of association.

Longo Netherlands B.V. complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Longo Netherlands B.V. is required by law to prepare annual unaudited stand-alone financial statements. Longo Netherlands B.V. is in compliance with such requirements.

Longo Netherlands B.V. is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Longo Netherlands B.V.***

For a description of the material contracts to which Longo Netherlands B.V. is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Longo Netherlands B.V.***

Longo Netherlands B.V. is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Longo Netherlands B.V.***

There has been no material adverse change in the prospects of Longo Netherlands B.V. since its incorporation.

### ***Outlook for Longo Netherlands B.V.***

For a description of the prospects of the Group, including Longo Netherlands B.V., please refer to Section “– *Recent Events and Trends*” below.



### **(23) Longo Georgia LLC (Georgia)**

Legal and commercial name	<b>Longo Georgia LLC</b>
Registration number	402095166
Date and place of incorporation	26 July 2018., Tbilisi, Georgia
Registered office address	David Agmashenebeli ave 129a-4, Didube-Chugureti district, Tbilisi, Georgia
Principal business activities	Sale of cars and light motor vehicles, sale of other motor vehicles
License:	No license required.

Website: Not available.

### **General Information about Longo Georgia LLC (Georgia)**

#### *History and Development; Commercial Register*

Longo Georgia LLC was incorporated on 26 July 2018, and operates, under the laws of Georgia as a limited liability company with unlimited duration.

Longo Georgia LLC is registered with Register of enterprises of Georgia under No. 402095166.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Longo Georgia LLC and it operates under the commercial name "Longo Georgia LLC".

The registered office of Longo Georgia LLC is at David Agmashenebeli ave 129a-4, Didube-Chugureti district, Tbilisi, Georgia, and its telephone number is +995 577 15 50 69.

The financial year of Longo Georgia LLC commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Sale of cars and light motor vehicles, sale of other motor vehicles.

According to the companies' articles of association (Art. 2.1.), the purpose of Longo Georgia LLC is any activity, which is not directly prohibited under Georgian legislation.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*".

## ***Administrative, Management and Supervisory Parties of Longo Georgia LLC***

### ***Management***

Longo Georgia LLC is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Irakli Tsurtsunia, with business address at David Agmashenebeli ave 129a-4, Didube-Chugureti district, Tbilisi, Georgia

Irakli Tsurtsunia studied at Ivane Javakhishvili Tbilisi State University (Faculty of Business and Economics). Since December 2018 he is COO in Mogo LLC (Georgia) and from March 2019 General Director of Longo Georgia LLC. Previously Irakli had over 15 years of experience in banking and financial sector and held manager positions over different financial institutions.

Irakli Tsurtsunia has no principal activities outside the Group.

### ***Conflicts of Interest***

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Participation Holders***

100% of Longo Georgia LLC issued participation rights are held by AS Mogo Baltics and Caucasus (Latvia). There are no particular measures to prevent abusive exercise of control on Longo Georgia LLC. Its corporate governance structure, together with the provisions of Georgian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### ***Capital of Longo Georgia LLC***

The capital of Longo Georgia LLC is GEL 75,520.30 and is divided into participations instead of shares with 1 voting right per percentage of participation. The capital is fully paid-up and all participations grant the same rights to the participation holders of Longo Georgia LLC.

### ***Auditors***

The auditor of Longo Georgia LLC is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus Longo Georgia LLC has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Longo Georgia LLC applies the Law on Entrepreneurs of Georgia and its articles of association.

Longo Georgia LLC complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Longo Georgia LLC is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, Longo Georgia LLC has not prepared financial statements yet.

Longo Georgia LLC is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Longo Georgia LLC***

For a description of the material contracts to which Longo Georgia LLC is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Longo Georgia LLC***

Longo Georgia LLC is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Longo Georgia LLC***

There has been no material adverse change in the prospects of Longo Georgia LLC since its incorporation.

### ***Outlook for Longo Georgia LLC***

For a description of the prospects of the Group, including Longo Georgia LLC, please refer to Section “– *Recent Events and Trends*” below.

## **(24) Longo LLC (Armenia)**

Legal and commercial name	<b>Longo LLC</b>
Registration number	286.110.1015848
Date and place of incorporation	26 April 2018, Yerevan, Armenia,
Registered office address	RA, Yerevan city, Vardanants 18, area 8, Armenia
Principal business activities	Sale of cars and light motor vehicles, sale of other motor vehicles
License:	No license required.

Website: Not available.

### **General Information about Longo LLC (Armenia)**

#### *History and Development; Commercial Register*

Longo LLC was incorporated on 26 April 2018, and operates, under the laws of Armenia as a limited liability company with unlimited duration.

Longo LLC is registered with Register of enterprises of Armenia under No. 286.110.1015848.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Longo LLC and it operates under the commercial name "Longo LLC".

The registered office of Longo LLC is at RA, Yerevan city, Vardanants 18, area 8, Armenia, and its telephone number is 011-70-70-08.

The financial year of Longo LLC commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Sale of cars and light motor vehicles, sale of other motor vehicles.

According to the companies' articles of association (Art. 2.1. and Art. 2.2.), the purpose of Longo LLC is making profit by way of implementation of economic activity (including commercial) as well as Longo LLC has civil rights necessary for implementation of any type of activity not prohibited by the Armenian Law and bears civil obligations related to that activity.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*",

*“Underwriting and Review”, “Portfolio Management”, “Information Technology”, “Credit and Risk Management”, “Competition and Intellectual Property”.*

### ***Administrative, Management and Supervisory Parties of Longo LLC***

#### *Management*

Longo LLC is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Geregyn Muradyan with business address at RA, Vardanants 18, area 8, Armenia

Geregyn holds a Masters degree in Economy from Yerevan Agricultural University. Previously Geregyn has held several positions in Bank VTB Ltd.

Geregyn Muradyan has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The majority shareholder of Longo LLC with 99.99 % is AS Mogo Baltics and Caucasus (Latvia). The other 0,01 % is owned by executive Mesrop Arakelyan. There are no particular measures to prevent abusive exercise of control on Longo LLC. Its corporate governance structure, together with the provisions of Armenian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Longo LLC*

The share capital of Longo LLC is 55,000,000 AMD and is represented by HD:100 ordinary, fully paid-up share with the nominal value of 550.000 AMD.

#### ***Auditors***

The auditor of subsidiary is Ernst and Young CJSC, incorporated under laws of Armenia with its registered office at RA, Yerevan-001, 1 Northern Ave. NORD business center, office 27. Ernst and Young CJSC is a member of the Association of Accountants and Auditors of Armenia.

#### ***Audit Committee***

As of the date of this Prospectus Longo LLC has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Longo LLC applies Civil Code of the Republic of Armenia and its articles of association.

Longo LLC complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Longo LLC is not required to prepare annual financial statements. Nevertheless, annual unaudited financial statements for the financial year ending on 31 December 2018 were prepared for information purposes of the Group.

Longo LLC is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Longo LLC***

For a description of the material contracts to which Longo LLC is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Longo LLC***

Longo LLC is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Longo LLC***

There has been no material adverse change in the prospects of Longo LLC since its incorporation.

### ***Outlook for Longo LLC***

For a description of the prospects of the Group, including Longo LLC, please refer to Section “– *Recent Events and Trends*” below.

## **(25) Leasing Company MOGO DOOEL Skopje (North Macedonia)**

Legal and commercial name	<b>Leasing Company MOGO DOOEL Skopje</b>
Registration number	7273614
Date and place of incorporation	12 April 2018, Skopje, North Macedonia
Registered office address	Str. Anton Popov, no ½ mezanin-local 3, 1000 Skopje, North Macedonia
Principal business activities	Financial leasing
License:	License for financial leasing No. 13-449/4 issued by the Ministry of Finance of North Macedonia on 05 April 2018. The license has no expiration date
Website:	www.mogo.mk  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### ***General Information about Leasing Company MOGO DOOEL Skopje (North Macedonia)***

#### *History and Development; Commercial Register*

Leasing Company MOGO DOOEL Skopje was incorporated on 12 April 2018, and operates, under the laws of North Macedonia as a limited liability company with unlimited duration.

Leasing Company MOGO DOOEL Skopje is registered with the Commercial Register of North Macedonia under No. 7273614.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Leasing company Leasing Company MOGO DOOEL Skopje and it operates under the commercial name "Leasing Company MOGO DOOEL Skopje". The shortened commercial name of the company is "MOGO DOOEL Skopje".

The registered office of Leasing Company MOGO DOOEL Skopje is at Str. Anton Popov, no ½ mezanin-local 3, 1000 Skopje, North Macedonia, and its telephone number is 02 277 5555.

The financial year of Leasing Company MOGO DOOEL Skopje commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Financial leasing.

According to the companies' articles of association (Art. 4), the purpose of Leasing Company MOGO DOOEL Skopje is to performe leasing activities in accordance to the Macedonian law on leasing upon the receiving of a prior licence from the Ministry of Finance of the Republic of North Macedonia. The basic activity of the Leasing Company MOGO DOOEL Skopje is financial leasing.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management,

please refer to the Sections “Business”, “Physical Footprint”, “Marketing”, “Underwriting and Review”, “Portfolio Management”, “Information Technology”, “Credit and Risk Management”, “Competition and Intellectual Property”.

### **Administrative, Management and Supervisory Parties of Leasing Company MOGO DOOEL Skopje**

#### *Management*

Leasing Company MOGO DOOEL Skopje is managed by a sole manager, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole manager of the company is

- Artis Puķītis with business address at Str. Anton Popov, no ½ mezanin-local 3, 1000 Skopje, North Macedonia

Artis Puķītis holds Bachelor degree in finance from BA school of Business and Finance. From May 2018 he is a Business controller for Mogo Balkans (Albania, Bulgaria, Bosnia, Kosovo and Macedonia). Artis most noticeable experience comes from banking sector as he held an auditor position in the internal audit department, and for working at KPMG Baltics in the audit department.

Artis Puķītis has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### **Organizational Structure and Shareholders**

The sole shareholder of Leasing Company MOGO DOOEL Skopje is Mogo Finance (Luxembourg). There are no particular measures to prevent abusive exercise of control on Leasing Company MOGO DOOEL Skopje. Its corporate governance structure, together with the provisions of North Macedonia corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Leasing Company MOGO DOOEL Skopje*

*The share capital of Leasing Company MOGO DOOEL Skopje is 200,000,00 EUR and consists of one (1) share, fully paid-up with a nominal value of 200,000,00 EUR.*

### **Auditors**

The auditor of Leasing Company MOGO DOOEL Skopje is Grant Thornton DOO, incorporated under laws of North Macedonia with its registered office at Sv. Kiril i Metodij 52 b - 1/20, 1000 Skopje, North Macedonia. Grant Thornton DOO is a member of Institute of Certified Auditors of the Republic of North Macedonia (ICARM).

### **Audit Committee**

As of the date of this Prospectus Leasing Company MOGO DOOEL Skopje has no internal audit committee.

### **Corporate Governance**

In its decision making and administration, Leasing Company MOGO DOOEL Skopje applies Law on Trade Companies of North Macedonia and its articles of association.



Leasing Company MOGO DOOEL Skopje complies with its country's of incorporation corporate governance regime.

***Financial Statements***

Leasing Company MOGO DOOEL Skopje is required by law to prepare annual audited stand-alone financial statements. Leasing Company MOGO DOOEL Skopje is in compliance with such requirements.

Leasing Company MOGO DOOEL Skopje is not required to prepare and has not prepared interim financial statements.

***Material Contracts of Leasing Company MOGO DOOEL Skopje***

For a description of the material contracts to which Leasing Company MOGO DOOEL Skopje is a party to, please refer to Section “– *Material Agreements*” below.

***Legal Proceedings of Leasing Company MOGO DOOEL Skopje***

Leasing Company MOGO DOOEL Skopje is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

***Material Adverse Change in the Prospects of Leasing Company MOGO DOOEL Skopje***

There has been no material adverse change in the prospects of Leasing Company MOGO DOOEL Skopje since 31 December 2018.

***Outlook for Leasing Company MOGO DOOEL Skopje***

For a description of the prospects of the Group, including Leasing Company MOGO DOOEL Skopje, please refer to Section “– *Recent Events and Trends*” below.

## **(26) AS Renti (Latvia)**

Legal and commercial name	<b>AS Renti</b>
Registration number	40203174147
Date and place of incorporation	10 October 2018, Latvia
Registered office address	50 Skanstes Street, Riga, LV-1013, Latvia
Principal business activities	Renting and leasing of cars and light motor vehicles, renting and leasing of trucks, sale of cars and light motor vehicles, sale of other motor vehicles
License:	No license required.

Website: [www.renti.lv](http://www.renti.lv)

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

### **General Information about AS Renti (Latvia)**

#### *History and Development; Commercial Register*

AS Renti was incorporated on 10 October 2018, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS Renti is registered with Register of enterprises of Latvia under No. 40203174147.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is AS Renti and it operates under the commercial name "AS Renti".

The registered office of AS Renti is at 50 Skanstes Street, Riga, LV-1013, Latvia, and its telephone number is +371 66 900 900.

The financial year of AS Renti commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Vehicle rental services.

According to the companies' articles of association (Art. 3), the purpose of AS Renti is to provide renting and leasing of cars and other light weight motor vehicles, renting and leasing of trucks, sale of cars and light motor vehicles and sale of other motor vehicles.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*",

*“Underwriting and Review”, “Portfolio Management”, “Information Technology”, “Credit and Risk Management”, “Competition and Intellectual Property”.*

### **Administrative, Management and Supervisory Parties of AS Renti**

#### *Management*

AS Renti is managed by a sole director / chairman of the board, who has the right to represent the company vis-à-vis third parties. There are no other members of the board as of the date of this Prospectus.

As at the date of this Prospectus, chairman of the board of the company is:

- Krišjānis Znotiņš, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

Krišjānis 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.

#### *Supervisory board*

AS Renti is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the chairman of the board.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Modestas Sudnius with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

See “XXII. Management – Management of the Issuer” below.

- Dārta Keršule, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

Dārta Keršule holds a master’s degree (MBA) from Riga Business School in cooperation with the State University of New York at Buffalo, USA, and the University of Ottawa, Canada. Since July 2018 she is the Chief Financial Officer of Latvia, Lithuania, Estonia, Georgia and Armenia regions. Prior joining Mogo, Darta led the finance department in Balta - the largest non-life insurance company in Latvia and before that gained experience in the audit department at Ernst & Young.

- Kārlis Bērziņš, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

Since February 2018, Mr. Berzinš has been Chief Information Officer in the Latvia, Lithuania, Estonia, Georgia and Armenia region. He has previous work experience as IT Manager in joint venture RB Rail – the company responsible for international project Rail Baltica implementation coordination, and, before that, Karlis has worked as Head of IT division and as Baltic Management Team member in the insurance company Gjensidige Baltic. He has a bachelor’s degree in E-commerce from RSEBAA. Modestas Sudnius, Dārta Keršule and Kārlis Bērziņš have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

## ***Organizational Structure and Shareholders***

The sole shareholder of AS Renti is AS Mogo (Latvia). There are no particular measures to prevent abusive exercise of control on AS Renti. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### ***Share Capital of AS Renti***

The share capital of AS Renti is EUR 500,000 and is divided in into 500,000 ordinary, fully paid-up shares with nominal value of EUR 1.00 each.

### ***Auditors***

The auditor of AS Renti is KPMG Baltics AS, a joint stock company with legal address at Vesetas iela 7, Riga, LV-1013, Latvia and with registration number 40003235171.

### ***Audit Committee***

As of the date of this Prospectus AS Renti has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, AS Renti applies Commercial law of Latvia and its articles of association.

AS Renti complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

AS Renti is required by law to prepare annual audited stand-alone financial statements. As a newly established entity, AS Renti has not prepared financial statements yet.

AS Renti is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of AS Renti***

For a description of the material contracts to which AS Renti is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of AS Renti***

AS Renti is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of AS Renti***

There has been no material adverse change in the prospects of AS Renti since its incorporation.

### ***Outlook for AS Renti***

For a description of the prospects of the Group, including AS Renti, please refer to Section “– *Recent Events and Trends*” below.

### **(27) UAB Mogo Eastern Europe LT (previously “UAB HUB 3 LT”) (Lithuania)**

Legal and commercial name	<b>UAB Mogo Eastern Europe LT (previously “UAB HUB 3 LT”)</b>
Registration number	305018069
Date and place of incorporation	12 February 2019, Vilnius,
Registered office address	Ukmerges g. 322-1, Vilnius, Lithuania
Principal business activities	Management activities
License:	No licence required.

Website: Not available.

### **General Information about UAB Mogo Eastern Europe LT (Lithuania)**

#### *History and Development; Commercial Register*

UAB Mogo Eastern Europe LT (previously “UAB HUB 3 LT”) was incorporated on 12 February 2019, and operates, under the laws of Lithuania as a limited liability company with unlimited duration.

UAB Mogo Eastern Europe LT (previously “UAB HUB 3 LT”) is registered with Register of enterprises of Lithuania under No. 305018069.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is UAB Mogo Eastern Europe LT and it operates under the commercial name “UAB Mogo Eastern Europe LT” (previously “UAB HUB 3 LT”).

The registered office of UAB Mogo Eastern Europe LT is at Ukmerges g. 322-1, Vilnius, Lithuania, and its telephone number is +370 616 83306.

The financial year of UAB Mogo Eastern Europe LT commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Management services of Mogo Eastern Europe countries.

According to the companies’ articles of association (Art. 2.1.), the purpose of UAB Mogo Eastern Europe LT is commercial activity, including, but not limited to activities of providing the management services to group companies.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

## ***Administrative, Management and Supervisory Parties of UAB Mogo Eastern Europe LT***

### ***Management***

UAB Mogo Eastern Europe LT is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Valerij Petrov, with business address at Ukmerges g. 322-1, Vilnius, Lithuania

A Country Manager in Lithuania since January 2018 until January 2019, Valerij has been a COO in Lithuania since July 2014 and now is Mogo Eastern Europe 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.

Valerij Petrov has no principal activities outside the Group.

### ***Conflicts of Interest***

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of UAB Mogo Eastern Europe LT is AS Mogo Eastern Europe (Latvia). There are no particular measures to prevent abusive exercise of control on UAB Mogo Eastern Europe LT. Its corporate governance structure, together with the provisions of Lithuanian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### ***Share Capital of UAB Mogo Eastern Europe LT***

The share capital of UAB Mogo Eastern Europe LT is EUR 2,500 and is represented by 100 ordinary, fully paid-up share with the nominal value of EUR 25.

### ***Auditors***

The auditor of UAB Mogo Eastern Europe LT is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus UAB Mogo Eastern Europe LT has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, UAB Mogo Eastern Europe LT applies Lithuanian Law on Companies of Lithuania and its articles of association.

UAB Mogo Eastern Europe LT complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

UAB Mogo Eastern Europe LT is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, UAB Mogo Eastern Europe LT has not prepared financial statements yet.

UAB Mogo Eastern Europe LT is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of UAB Mogo Eastern Europe LT***

For a description of the material contracts to which UAB Mogo Eastern Europe LT is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of UAB Mogo Eastern Europe LT***

UAB Mogo Eastern Europe LT is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of UAB Mogo Eastern Europe LT***

There has been no material adverse change in the prospects of UAB Mogo Eastern Europe LT since its incorporation.

### ***Outlook for UAB Mogo Eastern Europe LT***

For a description of the prospects of the Group, including UAB Mogo Eastern Europe LT, please refer to Section “– *Recent Events and Trends*” below.

## **(28) AS Mogo Africa (Latvia)**

Legal and commercial name	<b>AS Mogo Africa</b>
Registration number	40203182962
Date and place of incorporation	28.11.2018, Riga, Latvia
Registered office address	50 Skanstes Street, Riga, LV-1013, Latvia
Principal business activities	Holding entity, other financial services activities except insurance and pension funding
License:	<i>No license required.</i>

Website: Not available.

### **General Information about AS Mogo Africa (Latvia)**

#### *History and Development; Commercial Register*

AS Mogo Africa was incorporated on 28 November 2018, and operates, under the laws of Latvia as a joint stock company with unlimited duration.

AS Mogo Africa is registered with Register of enterprises of Latvia under No. 40203182962.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is AS Mogo Africa and it operates under the commercial name "AS Mogo Africa".

The registered office of AS Mogo Africa is at 50 Skanstes Street, Riga, LV-1013, Latvia, and its telephone number is +371 66 900 900.

The financial year of AS Mogo Africa commences on 1 January and ends on 31 December each calendar year.

### **Business Overview**

Holding company.

According to the companies' articles of association (Art.3), the purpose of AS Mogo Africa is to conduct activities of holding companies and other financial service activities, except insurance and pension funding.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections "*Business*", "*Physical Footprint*", "*Marketing*", "*Underwriting and Review*", "*Portfolio Management*", "*Information Technology*", "*Credit and Risk Management*", "*Competition and Intellectual Property*".



## ***Administrative, Management and Supervisory Parties of AS Mogo Africa***

### *Management*

AS Mogo Africa is managed by a sole director / chairman of the board, who has the right to represent the company vis-à-vis third parties. There are no other members of the board as of the date of this Prospectus.

As at the date of this Prospectus, chairman of the board of the company is:

- Tomas Sudnius, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

Tomas Sudnius holds a bachelor of science degree from Stockholm School of Economics in Riga and a master's degree (MBA) from University of California in Davis. Tomas Sudnius has extensive managerial experience in various industries in the EU and USA. Previously, he has been Head of Alternative Sales Channels at a leading Lithuanian telecommunications company UAB "Bitė Lietuva", Strategy Manager at leading Lithuanian insurance company AB "Lietuvos draudimas" and Financial Controller at California based software company Evolphin Software, Inc.

Tomas Sudnius has no principal activities outside the Group.

### *Supervisory board*

AS Mogo Africa is supervised by a supervisory board consisting of 3 supervisory board members, which has the right to supervise the chairman of the board.

As of the date of this Prospectus, the supervisory board of the company consists of:

- Modestas Sudnius, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

See "XXII. Management – Management of the Issuer" below.

- Marius Barys, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

Marius Barys holds a bachelor of science degree from Stockholm School of Economics in Riga and a master's degree in Financial Economics from Maastricht University. He is also a charterholder at Chartered Financial Analyst (CFA) Institute. Previously Marius co-founded an asset management firm specializing in alternative investments and acted as fund manager of a private debt fund targeting non-bank lenders in the European Union. He was also the Head of Governance Coordination Centre of Lithuania and supervised the financial performance and set corporate governance standards for over 150 State-owned Enterprises in the Republic of Lithuania.

- Māris Kreics, with business address at 50 Skanstes Street, Riga, LV-1013, Latvia

See "XXII. Management – Management of the Issuer" below.

Modestas Sudnius, Marius Barys and Māris Kreics have no principal activities outside the Group.

### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

## **Organizational Structure and Shareholders**

The sole shareholder of AS Mogo Africa is Mogo Finance S.A. (Luxembourg). There are no particular measures to prevent abusive exercise of control on AS Mogo Africa. Its corporate governance structure, together with the provisions of Latvian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### ***Share Capital of AS Mogo Africa***

The share capital of AS Mogo Africa is EUR 35,000, represented by 350,000 ordinary and fully paid-up shares with the nominal value of EUR 0,10.

### **Auditors**

The auditor of AS Mogo Africa is not currently engaged.

### **Audit Committee**

As of the date of this Prospectus AS Mogo Africa has no internal audit committee.

## **Corporate Governance**

In its decision making and administration, AS Mogo Africa applies Commercial Law of Latvia and its articles of association.

AS Mogo Africa complies with its country's of incorporation corporate governance regime.

### **Financial Statements**

AS Mogo Africa is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, AS Mogo Africa has not prepared financial statements yet.

AS Mogo Africa is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of AS Mogo Africa**

For a description of the material contracts to which AS Mogo Africa is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of AS Mogo Africa**

AS Mogo Africa is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of AS Mogo Africa**

There has been no material adverse change in the prospects of AS Mogo Africa since its incorporation.

### **Outlook for AS Mogo Africa**

For a description of the prospects of the Group, including AS Mogo Africa, please refer to Section “– *Recent Events and Trends*” below.

## **(29) UAB MOGO AFRICA (Lithuania) (previously “UAB HUB 5 LT”)**

Legal and commercial name	<b>UAB Mogo Africa (previously “UAB HUB 5 LT”)</b>
Registration number	304991028
Date and place of incorporation	17 January 2019, Vilnius Lithuania
Registered office address	A. Vivulskio g. 7, LT-03162, Vilnius
Principal business activities	Holding entity, other financial service activities except insurance and pension funding
License:	No license required.
Website:	Not available.

### ***General Information about UAB Mogo Africa (Lithuania)***

#### *History and Development; Commercial Register*

UAB MOGO AFRICA was incorporated on 17 January 2019, and operates, under the laws of Lithuania as a limited liability company with unlimited duration.

UAB MOGO AFRICA is registered with Register of enterprises of Lithuania under No. 304991028.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is UAB Mogo Africa and it operates under the commercial name “UAB Mogo Africa” (previously “UAB HUB 5 LT”).

The registered office of UAB Mogo Africa is at A. Vivulskio g. 7, LT-03162, Vilnius, and its telephone number is +371 66 900 900.

The financial year of UAB MOGO AFRICA commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Management services.

According to the companies’ articles of association (Art. 2), UAB MOGO AFRICA may engage in any legal economic commercial activity, including, but not limited to activities of holding companies and financial service activities, except insurance and pension funding.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of UAB MOGO AFRICA***

#### *Management*

UAB MOGO AFRICA is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is:

- Tomas Sudnius, with business address at A. Vivulskio g. 7, LT-03162, Vilnius

Tomas Sudnius holds a bachelor of science degree from Stockholm School of Economics in Riga and a master's degree (MBA) from University of California in Davis. Tomas Sudnius has extensive managerial experience in various industries in the EU and USA. Previously, he has been Head of Alternative Sales Channels at a leading Lithuanian telecommunications company UAB "Bitė Lietuva", Strategy Manager at leading Lithuanian insurance company AB "Lietuvos draudimas" and Financial Controller at California based software company Evolphin Software, Inc.

Tomas Sudnius has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

#### **Organizational Structure and Shareholders**

The sole shareholder of UAB MOGO AFRICA is AS Mogo Africa (Latvia). There are no particular measures to prevent abusive exercise of control on UAB MOGO AFRICA. Its corporate governance structure, together with the provisions of Lithuanian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of UAB MOGO AFRICA*

The share capital of UAB MOGO AFRICA is EUR 2,500 and is represented by 100 ordinary, fully paid-up shares with the nominal value of EUR 25.

#### **Auditors**

The auditor of UAB MOGO AFRICA is not currently engaged.

#### **Audit Committee**

As of the date of this Prospectus UAB MOGO AFRICA has no internal audit committee.

#### **Corporate Governance**

In its decision making and administration, UAB MOGO AFRICA applies Lithuanian Law on Companies and its articles of association.

UAB UAB Mogo Africa complies with its country's of incorporation corporate governance regime.

#### **Financial Statements**

UAB MOGO AFRICA is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, UAB MOGO AFRICA has not prepared financial statements yet.

UAB Mogo Africa is not required to prepare and has not prepared interim financial statements.

### **Material Contracts of UAB MOGO AFRICA**

For a description of the material contracts to which UAB MOGO AFRICA is a party to, please refer to Section “– *Material Agreements*” below.

### **Legal Proceedings of UAB MOGO AFRICA**

UAB MOGO AFRICA is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### **Material Adverse Change in the Prospects of UAB MOGO AFRICA**

There has been no material adverse change in the prospects of UAB MOGO AFRICA since its incorporation

### **Outlook for UAB MOGO AFRICA**

For a description of the prospects of the Group, including UAB MOGO AFRICA, please refer to Section “– *Recent Events and Trends*” below.

### **(30) Mogo Loans – SMC Limited (Uganda)**

Legal and commercial name	<b>Mogo Loans – SMC Limited</b>
Registration number	80020001522601
Date and place of incorporation	10 January 2019, Kampala, Uganda
Registered office address	Plot 1 Kololo Hill Drive, Kampala, C/o, P.O. Box 2255, Kampala, Uganda
Principal business activities	Financial leasing and credit granting
License:	The company carries a trade license issued by Kampala Capital City Authority.  License issuance date: 22 January 2019, and a money lending license issued by Uganda Microfinance Regulatory Authority, license issuance date: 19 March 2019. Decision No. 4.1-1/11
Website:	<a href="http://www.mogo.co.ug">www.mogo.co.ug</a>  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about Mogo Loans - SMC Limited (Uganda)**

#### *History and Development; Commercial Register*

Mogo Loans - SMC Limited was incorporated on 10 January 2019, and operates, under the laws of Uganda as a limited liability company with unlimited duration.

Mogo Loans – SMC Limited is registered with Register of enterprises of Uganda under No. 80020001522601.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Mogo Loans – SMC Limited (Uganda) and it operates under the commercial name “Mogo Loans – SMC Limited”.

The registered office of Mogo Loans – SMC Limited is at Plot 1 Kololo Hill Drive, Kampala, C/o, P.O. Box 2255, Kampala, Uganda, and its telephone number is +256 200 405800.

The financial year of Mogo Loans – SMC Limited commences on 1 January and ends on 31 December each calendar year.

### ***Business Overview***

Vehicle financial leasing services.

According to the companies' articles of association (Art. 3), the purpose of Mogo Loans - SMC Limited is to engage in vehicle leasing and lease-back services including, for this purpose, providing credit facilities and levying interest and other fees and charges on the principal amount.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of Mogo Loans – SMC Limited***

#### ***Management***

Mogo Loans – SMC Limited is managed by two directors, who have the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the two directors of the company are:

- Tomas Sudnius, with business address at Plot 1 Kololo Hill Drive, Kampala, P.O. Box 2255, Kampala, Uganda

Tomas Sudnius holds a bachelor of science degree from Stockholm School of Economics in Riga and a master's degree (MBA) from University of California in Davis. Tomas Sudnius has extensive managerial experience in various industries in the EU and USA. Previously, he has been Head of Alternative Sales Channels at a leading Lithuanian telecommunications company UAB “Bitė Lietuva”, Strategy Manager at leading Lithuanian insurance company AB “Lietuvos draudimas” and Financial Controller at California based software company Evolphin Software, Inc.

- Marius Barys with business address at Plot 1 Kololo Hill Drive, Kampala, P.O. Box 2255, Kampala, Uganda

Marius Barys holds a bachelor of science degree from Stockholm School of Economics in Riga and a master's degree in Financial Economics from Maastricht University. He is also a charterholder at Chartered Financial Analyst (CFA) Institute. Previously Marius co-founded an asset management firm specializing in alternative investments and acted as Fund Manager of a private debt fund targeting non-bank lenders in the European Union. He was also the Head of Governance Coordination Centre of Lithuania and supervised the financial performance and set corporate governance standards for over 150 State-owned Enterprises in the Republic of Lithuania.

Tomas Sudnius and Marius Barys have no principal activities outside the Group.

### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of Mogo Loans – SMC Limited is AS Mogo Africa (Latvia). There are no particular measures to prevent abusive exercise of control on Mogo Loans – SMC Limited. Its corporate governance structure, together with the provisions of Ugandan corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

Share *Capital* of Mogo Loans – SMC Limited

The share capital of Mogo Loans – SMC Limited is UGX 3,000,000 and is divided into 100,000 ordinary shares with the nominal value of UGX 30.

### ***Auditors***

The auditor of Mogo Loans – SMC Limited is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus Mogo Loans – SMC Limited has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Mogo Loans - SMC Limited applies Uganda Companies Act 2012 and its articles of association.

Mogo Loans - SMC Limited complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Mogo Loans – SMC Limited is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, Mogo Loans - SMC Limited has not prepared financial statements yet.

Mogo Loans – SMC Limited is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Mogo Loans – SMC Limited***

For a description of the material contracts to which Mogo Loans – SMC Limited is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Mogo Loans – SMC Limited***

Mogo Loans – SMC Limited is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Mogo Loans – SMC Limited***

There has been no material adverse change in the prospects of Mogo Loans – SMC Limited since its incorporation.

## **Outlook for Mogo Loans – SMC Limited**

For a description of the prospects of the Group, including Mogo Loans – SMC Limited, please refer to Section “– Recent Events and Trends” below.

### **(31) Mogo Kenya Limited (Kenya)**

Legal and commercial name	<b>Mogo Kenya Limited (Kenya)</b>
Registration number	PVT-BEU3ZKD
Date and place of incorporation	06 February 2019, Nairobi, Kenya
Registered office address	Ngong road, Prestige Mall, LR No. 209/410/2/4&5, Nairobi, Kenya and P.O. Box 29107, G.P.O. Nairobi
Principal business activities	Financial leasing and credit granting
License:	No license required.

Website: [www.mogo.co.ke](http://www.mogo.co.ke)

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

### **General Information about Mogo Kenya Limited (Kenya)**

#### *History and Development; Commercial Register*

Mogo Kenya Limited was incorporated on 06 February 2019, and operates, under the laws of Kenya as a limited liability company with unlimited duration.

Mogo Kenya Limited is registered with Register of enterprises of Kenya under No. PVT-BEU3ZKD.

#### *Legal and Commercial Name, Financial Year and Business address*

Company’s legal name is Mogo Kenya Limited and it operates under the commercial name “Mogo Kenya Limited”.

The registered office of Mogo Kenya Limited is at Ngong road, Prestige Mall, LR No. 209/410/2/4&5, Nairobi, Kenya and P.O. Box 29107, G.P.O. Nairobi, and its telephone number is +254 768 469 112.

The financial year of Mogo Kenya Limited commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Vehicle financial leasing services.



The purpose of Mogo Kenya Limited is not determined in its articles of association. The purpose Mogo Kenya Limited is notified to the Register of enterprises of Kenya.

According to the information notified to Register of enterprises of Kenya, the primary business activity listed in the application to incorporate Mogo Kenya Limited is asset leasing and finance.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of Mogo Kenya Limited***

#### *Management*

Mogo Kenya Limited is managed by three directors, who have the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, the three directors of the company are:

- Tomas Sudnius with business address at Ngong road, Prestige Mall, LR No. 209/410/2/4&5, Nairobi, Kenya and P.O. Box 29107, G.P.O. Nairobi

Tomas Sudnius holds a bachelor of science degree from Stockholm School of Economics in Riga and a master’s degree (MBA) from University of California in Davis. Tomas Sudnius has extensive managerial experience in various industries in the EU and USA. Previously, he has been Head of Alternative Sales Channels at a leading Lithuanian telecommunications company UAB “Bitė Lietuva”, Strategy Manager at leading Lithuanian insurance company AB “Lietuvos draudimas” and Financial Controller at California based software company Evolphin Software, Inc

- Marius Barys with business address at Ngong road, Prestige Mall, LR No. 209/410/2/4&5, Nairobi, Kenya and P.O. Box 29107, G.P.O. Nairobi

Marius Barys holds a bachelor of science degree from Stockholm School of Economics in Riga and a master’s degree in Financial Economics from Maastricht University. He is also a charterholder at Chartered Financial Analyst (CFA) Institute. Previously Marius co-founded an asset management firm specializing in alternative investments and acted as Fund Manager of a private debt fund targeting non-bank lenders in the European Union. He was also the Head of Governance Coordination Centre of Lithuania and supervised the financial performance and set corporate governance standards for over 150 State-owned Enterprises in the Republic of Lithuania.

- Wilson M. Nguyo with business address at Ngong road, Prestige Mall, LR No. 209/410/2/4&5, Nairobi, Kenya and P.O. Box 29107, G.P.O. Nairobi

Wilson M. Nguyo holds a bachelor of science degree from Egerton University and a master’s degree from Stellenbosch University. Previously he has been Chief Financial Officer at Uwezo Microfinance Bank in Kenya and worked for 9 years in Family Bank Ltd in Kenya in various leadership positions.

Tomas Sudnius, Marius Barys and Wilson M. Nguyo have no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The major shareholder of Mogo Kenya Limited with 98 % is AS Mogo Africa (Latvia). 1 % is owned by executive Tomas Sudnius and the other 1 % shareholder is Marius Barys. There are no particular measures to prevent abusive exercise of control on Mogo Kenya Limited. Its corporate governance structure, together with the provisions of Kenyan corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### ***Share Capital of Mogo Kenya Limited***

The share capital of Mogo Kenya Limited is KES 1,000,000 and is represented by 1,000 ordinary, fully paid-up shares with the nominal value of KES 1,000

### ***Auditors***

The auditor of Mogo Kenya Limited is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus Mogo Kenya Limited has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Mogo Kenya Limited applies Companies Act, 2015 of Kenya and its articles of association.

Mogo Kenya Limited complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Mogo Kenya Limited is required by law to prepare annual audited stand-alone financial statements. As a newly established entity, Mogo Kenya Limited has not prepared financial statements yet.

Mogo Kenya Limited is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Mogo Kenya Limited***

For a description of the material contracts to which Mogo Kenya Limited is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Mogo Kenya Limited***

Mogo Kenya Limited is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Mogo Kenya Limited***

There has been no material adverse change in the prospects of Mogo Kenya Limited since its incorporation.

## ***Outlook for Mogo Kenya Limited***

For a description of the prospects of the Group, including Mogo Kenya Limited, please refer to Section “– Recent Events and Trends” below.

### ***(32) TOO Mogo Kazakhstan (Kazakhstan)***

Legal and commercial name	<b>TOO Mogo Kazakhstan (Kazakhstan)</b>
Registration number	180940010094
Date and place of incorporation	10 September 2018, Almaty, Kazakhstan
Registered office address	Al-Farabi avenue, 77/2, 11B, Almaty, Republic of Kazakhstan
Principal business activities	Financial leasing and credit granting
License:	No license required.
Website:	www.mogo.kz  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### ***General Information about TOO Mogo Kazakhstan (Kazakhstan)***

#### *History and Development; Commercial Register*

TOO Mogo Kazakhstan was incorporated on 10 September 2018, and operates, under the laws of Kazakhstan as a limited liability company with unlimited duration.

TOO Mogo Kazakhstan is registered with Register of enterprises of Kazakhstan under No. 180940010094.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is TOO Mogo Kazakhstan and it operates under the commercial name “TOO Mogo Kazakhstan”.

The registered office of TOO Mogo Kazakhstan is at Al-Farabi avenue, 77/2, 11B, Almaty, Republic of Kazakhstan and its telephone number is +7 727 333 10 33.

The financial year of TOO Mogo Kazakhstan commences on 1 January and ends on 31 December each calendar year.

#### ***Business Overview***

Vehicle financial leasing services.

According to the companies' articles of association (Art. 2.3), the purpose of TOO Mogo Kazakhstan is:

- a) auto loans
- b) financial services, financing in various fields of economy, investment activity;

- c) carrying out wholesale trading;
- d) Internet commerce;
- e) business activity;
- f) other activities permitted by the applicable law of the Republic of Kazakhstan.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of TOO Mogo Kazakhstan***

#### *Management*

TOO Mogo Kazakhstan is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is:

- Azamat Seitbekov with business address at Al-Farabi avenue, 77/2, 11B, Almaty, Republic of Kazakhstan and its telephone number is +7 727 333 10 33

Country Manager in Kazakhstan since July 2018. Azamat holds an MBA from INSEAD Business School (France). He has an extensive experience in corporate and government sectors with emphasis on law and international relations. Most recently Azamat spent time in a start-up area by founding and developing e-commerce and service businesses in Kazakhstan and other countries of Central Asia.

Azamat Seitbekov has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The sole shareholder of TOO Mogo Kazakhstan is AS Mogo Central Asia (Latvia). There are no particular measures to prevent abusive exercise of control on TOO Mogo Kazakhstan. Its corporate governance structure, together with the provisions of Kazachian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of TOO Mogo Kazakhstan*

The share capital of TOO Mogo Kazakhstan is KZT 100,000 and is represented by 100,000 ordinary shares with a nominal value of TZK 1, each. The share capital is not paid up yet.

#### ***Auditors***

The auditor of TOO Mogo Kazakhstan is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus TOO Mogo Kazakhstan has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, TOO Mogo Kazakhstan applies Law on Partnerships with Limited and Additional Liability of Kazakhstan and its articles of association.

TOO Mogo Kazakhstan complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

TOO Mogo Kazakhstan is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, TOO Mogo Kazakhstan has not prepared financial statements yet.

TOO Mogo Kazakhstan is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of TOO Mogo Kazakhstan***

For a description of the material contracts to which TOO Mogo Kazakhstan is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of TOO Mogo Kazakhstan***

TOO Mogo Kazakhstan is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of TOO Mogo Kazakhstan***

There has been no material adverse change in the prospects of TOO Mogo Kazakhstan since its incorporation.

### ***Outlook for TOO Mogo Kazakhstan***

For a description of the prospects of the Group, including TOO Mogo Kazakhstan, please refer to Section “– *Recent Events and Trends*” below.

### **(33) OOO Mogo Lend (Uzbekistan)**

Legal and commercial name	<b>OOO Mogo Lend (Uzbekistan)</b>
Registration number	305723654
Date and place of incorporation	29 August 2018, Tashkent, Uzbekistan
Registered office address	4 Afrosiyab street, Mirabad district, Tashkent, Uzbekistan
Principal business activities	Financial leasing and credit granting
License:	No license required.
Website:	www.mogo.uz  The information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

### **General Information about OOO Mogo Lend (Uzbekistan)**

#### *History and Development; Commercial Register*

OOO Mogo Lend was incorporated on 29 August 2018, and operates, under the laws of Uzbekistan as a limited liability company with unlimited duration.

OO Mogo Lend is registered with Register of enterprises of Uzbekistan under No. 305723654.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is OOO Mogo Lend and it operates under the commercial name "OOO Mogo Lend".

The registered office of OOO Mogo Lend is 4 Afrosiyab street, Mirabad district, Tashkent, Uzbekistan and its telephone number is +998781505200.

The financial year of OOO Mogo Lend commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Vehicle financial leasing services.

According to the companies' articles of association (Art. 3.2.1), the purpose of OOO Mogo Lend is:

- a) financial leasing;
- b) rent services;
- c) lending services;
- d) financial service activities not classified elsewhere, except for insurance and pension funding;
- e) other activities complementary to financial services, except for insurance and pension funding;

- f) rent of cars and other passenger vehicles;
- g) rent of other automobiles;
- h) activities of insurance agents and brokers;
- i) as well as other business activities allowed by the laws of the Republic of Uzbekistan.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of OOO Mogo Lend***

#### *Management*

OOO Mogo Lend is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is:

- George Makaridze with business address at 4 Afrosiyab street, Mirabad district, Tashkent, Uzbekistan and its telephone number is +998781505200.

George Makaridze has over 10 years of banking experience in Georgia, Israel and UAE. He worked mostly in corporate banking and wealth management arms of the banks. George Makaridze has been with mogo for over 5 years now. He started up Georgian operations back in 2014 and led OOO Mogo Lend as a country manager until summer of 2018. A year ago he moved to Uzbekistan to set up the business there. Currently he is running Uzbek operations as a country manager. George Makaridze has an MBA from IE business school in Madrid, Spain

George Makaridze has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The major shareholder of OOO Mogo Lend with 99.99 % is AS Mogo Central Asia (Latvia). The other 0,01 % is owned by executive George Makaridze. There are no particular measures to prevent abusive exercise of control on OOO Mogo Lend. Its corporate governance structure, together with the provisions of Kazachian corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of OOO Mogo Lend*

The share capital of OOO Mogo Lend is set at UZS 7,372,000 without mention of number of shares representing such share capital. The share capital is not paid up yet.

#### ***Auditors***

The auditor of OOO Mogo Lend is not currently engaged.

### ***Audit Committee***

As of the date of this Prospectus OOO Mogo Lend has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, OOO Mogo Lend applies Law on Limited Liability and Additionnal Liability Companies of Uzbekistan and its articles of association.

OOO Mogo Lend complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

OOO Mogo Lend is required by law to prepare annual unaudited stand-alone financial statements. As a newly established entity, OOO Mogo Lend has not prepared financial statements yet.

OOO Mogo Lend is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of OOO Mogo Lend***

For a description of the material contracts to which OOO Mogo Lend is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of OOO Mogo Lend***

OOO Mogo Lend is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of OOO Mogo Lend***

There has been no material adverse change in the prospects of OOO Mogo Lend since its incorporation

### ***Outlook for OOO Mogo Uzbekistan***

For a description of the prospects of the Group, including OOO Mogo Uzbekistan, please refer to Section “– *Recent Events and Trends*” below.



### **(34) Longo Belgium BVBA (Belgium)**

Legal and commercial name	<b>Longo Belgium BVBA</b>
Registration number	0881.764.642
Date and place of incorporation	1 June 2006
Registered office address	Hendrik van Veldekesingel 150/116, 3500 Hasselt, Belgium
Principal business activities	Purchase and sale of cars and light motor vehicles, sale of other motor vehicles
License:	No licenses required

Website: [www.longogroup.be](http://www.longogroup.be)

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

### **General Information about Longo Belgium BVBA (Belgium)**

#### *History and Development; Commercial Register*

Longo Belgium BVBA was incorporated on 1 June 2006, and operates, under the laws of Belgium as a limited liability company with unlimited duration. AS Longo Group became the shareholder of Longo Belgium BVBA in December 2019.

Longo Belgium BVBA is registered with Trade Register of Belgium under No. 0881.764.642.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is Longo Belgium BVBA and it operates under the commercial name "Longo Belgium BVBA" (previously "Belpo Services BVBA").

The registered office of Longo Belgium BVBA is at Hendrik van Veldekesingel 150/116, 3500 Hasselt, Belgium, and its telephone number is 0032 484067593.

The financial year of Longo Belgium BVBA commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Sale of cars and light motor vehicles.

According to the companies' articles of association (Art. 3), the purpose of Longo Belgium BVBA is:

a) manufacture, import and export, wholesale and retail trade in specialized stores or not, trade brokerage, lease and rental, maintenance, and repair of:

- new and second-hand motor vehicles,
- new and second-hand light commercial vehicles and lorries,
- new and used trucks,

-new and second-hand motorcycles and bicycles,  
-horticultural machinery and equipment, and all parts and accessories,  
-all products and materials, raw materials, semi-finished and finished products, articles and devices in the trade regardless of their destination.

b) Establishing and acquiring, participating in, cooperating with, managing, and financing other companies, regardless of their legal form. The company may carry out all commercial, industrial and financial activities and all real estate and movable property that are directly or indirectly related to its corporate purpose or those activities that will allow it to benefit from its development.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of Longo LLC***

#### *Management*

Longo Belgium BVBA is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Jacob Willem Hoogenboom with business address at Hendrik van Veldekesingel 150/116, 3500 Hasselt, Belgium

Prior to joining Longo Netherlands B.V. Jacob Willem Hoogenboom had sales and management experience in the position of Head of representative office at MeesPierson and Intertrust and held the position of senior consultant at Bain & Company.

Jacob Willem Hoogenboom has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The major shareholder of Longo Belgium BVBA with 99.00 % is AS Longo Group (Latvia). The other 1 % is owned by Longo Netherlands BV. There are no particular measures to prevent abusive exercise of control on Longo Belgium BVBA. Its corporate governance structure, together with the provisions of Belgium corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

#### *Share Capital of Longo Belgium BVBA*

The share capital of Longo Belgium BVBA is EUR 18,600 and is represented by 100 ordinary, fully paid-up share with the nominal value of EUR 186 each.

#### ***Auditors***

As of the date of this Prospectus, Longo Belgium BVBA has not appointed an auditor.

### ***Audit Committee***

As of the date of this Prospectus Longo Belgium BVBA has no internal audit committee.

### ***Corporate Governance***

In its decision making and administration, Longo Belgium BVBA applies Company Law of Belgium and its articles of association.

Longo Belgium BVBA complies with its country's of incorporation corporate governance regime.

### ***Financial Statements***

Longo Belgium BVBA is required by law to prepare annual unaudited stand-alone financial statements. Longo Belgium BVBA is in compliance with such requirements.

Longo Belgium BVBA is not required to prepare and has not prepared interim financial statements.

### ***Material Contracts of Longo Belgium BVBA***

For a description of the material contracts to which Longo Belgium BVBA is a party to, please refer to Section “– *Material Agreements*” below.

### ***Legal Proceedings of Longo Belgium BVBA***

Longo Belgium BVBA is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

### ***Material Adverse Change in the Prospects of Longo Belgium BVBA***

There has been no material adverse change in the prospects of Longo Belgium BVBA since its incorporation.

### ***Outlook for Longo Belgium BVBA***

For a description of the prospects of the Group, including Longo Belgium BVBA, please refer to Section “– *Recent Events and Trends*” below.

### **(35) MAXXUS (Germany)**

Legal and commercial name	<b>MAXXUS GmbH</b>
Registration number	HRB 18213
Date and place of incorporation	7 July 2013
Registered office address	Dennewartstr. 25-27, D-52068 Aachen, Germany
Principal business activities	The rental and leasing of motor vehicles, trucks, vans, vehicles and equipment of all kinds for commercial or private purposes
License:	Maxxus GmbH has a general business licence issued by the city of Aachen, Germany. This license does not have any particular number.
Website:	Not available.

### **General Information about MAXXUS GmbH (Germany)**

#### *History and Development; Commercial Register*

MAXXUS GmbH was incorporated on 7 July 2013, and operates, under the laws of Germany as a limited liability company with unlimited duration. AS Longo Group became the shareholder of MAXXUS GmbH in March 2019.

MAXXUS GmbH is registered with District Court Aachen under No. HRB 18213.

#### *Legal and Commercial Name, Financial Year and Business address*

Company's legal name is MAXXUS GmbH and it operates under the commercial name "MAXXUS GmbH".

The registered office of MAXXUS GmbH is at Dennewartstr. 25-27, D-52068 Aachen, Germany, and its telephone number is +4915256552929.

The financial year of MAXXUS GmbH commences on 1 January and ends on 31 December each calendar year.

#### **Business Overview**

Sale of cars and light motor vehicles.

According to the companies' articles of association (Section II, (a)), the purpose of MAXXUS GmbH is:

- a. Rental and leasing of motor vehicles, trucks, vans, cranes and forklifts, trailers and machines of all kinds for commercial or private purposes.
- b. All activities, for the delivery of persons and goods, both for their own account and on behalf of third parties, nationally and internationally, as far as no special permission is required for this purpose.
- c. Wholesale and retail, import and export of new and used cars, trucks and vans, and their parts.
- d. Operation of garages and parking spaces for vehicles.

- e. Logistics and warehouse management, both for its own account and on behalf of third parties, distribution services and packaging, shipping and delivery of the goods to customers.
- f. Real estate trading, letting and leasing of real estate including real estate leasing.
- g. Participation in companies of all kinds as well as marketing tasks.
- h. Acceptance of warranty statements and guarantees.

For a more detailed description of the business activities, including key strengths, strategy, products, marketing, competition, intellectual property as well as a description of operations, processes, IT technology and credit and risk management, please refer to the Sections “*Business*”, “*Physical Footprint*”, “*Marketing*”, “*Underwriting and Review*”, “*Portfolio Management*”, “*Information Technology*”, “*Credit and Risk Management*”, “*Competition and Intellectual Property*”.

### ***Administrative, Management and Supervisory Parties of MAXXUS GmbH***

#### *Management*

MAXXUS GmbH is managed by a sole director, who has the right to represent the company vis-à-vis third parties.

As at the date of this Prospectus, sole director of the company is

- Jacob Willem Hoogenboom with business address at Dennewartstr. 25-27, D-52068 Aachen, Germany

Prior to joining Longo Netherlands B.V. Jacob Willem Hoogenboom had sales and management experience in the position of Head of representative office at MeesPierson and Intertrust and held the position of senior consultant at Bain & Company.

Jacob Willem Hoogenboom has no principal activities outside the Group.

#### *Conflicts of Interest*

There are no potential conflicts of interest between any duties arising to the company of its management and their private interests or their other duties.

### ***Organizational Structure and Shareholders***

The major shareholder of MAXXUS GmbH with 100.00 % is AS Longo Group (Latvia). There are no particular measures to prevent abusive exercise of control on MAXXUS GmbH. Its corporate governance structure, together with the provisions of Germany corporate law, provides sufficient safe guards against the abuse of controlling interests by shareholders.

### ***Share Capital of MAXXUS GmbH***

The share capital of MAXXUS GmbH is EUR 25,000 and is represented by 25,000 ordinary, fully paid-up share with the nominal value of EUR 1.

### ***Auditors***

As of the date of this Prospectus, MAXXUS GmbH has not appointed an auditor.

### ***Audit Committee***

As of the date of this Prospectus MAXXUS GmbH has no internal audit committee.

## **Corporate Governance**

In its decision making and administration, MAXXUS GmbH applies Act Concerning Companies with Limited Liability of Germany and its articles of association.

MAXXUS GmbH complies with its country's of incorporation corporate governance regime.

## **Financial Statements**

MAXXUS GmbH is required by law to prepare annual unaudited stand-alone financial statements. MAXXUS GmbH is in compliance with such requirements.

MAXXUS GmbH is not required to prepare and has not prepared interim financial statements.

## **Material Contracts of MAXXUS GmbH**

For a description of the material contracts to which MAXXUS GmbH is a party to, please refer to Section “– *Material Agreements*” below.

## **Legal Proceedings of MAXXUS GmbH**

MAXXUS GmbH is currently not party to any legal proceedings which are material for the company and/or the Group. For a description of the legal proceedings relating to the entire Group, please refer to Section “– *Legal Proceedings*” below.

## **Material Adverse Change in the Prospects of MAXXUS GmbH**

There has been no material adverse change in the prospects of MAXXUS GmbH since its incorporation.

## **Outlook for MAXXUS GmbH**

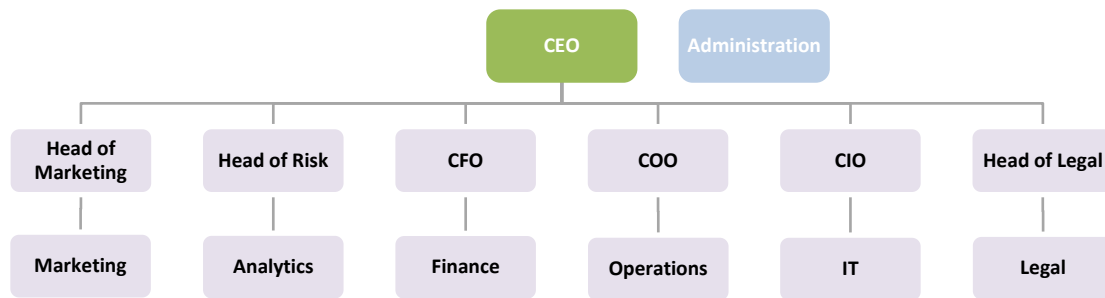
For a description of the prospects of the Group, including MAXXUS GmbH, please refer to Section “– *Recent Events and Trends*” below.

## **5. Organization Structure**

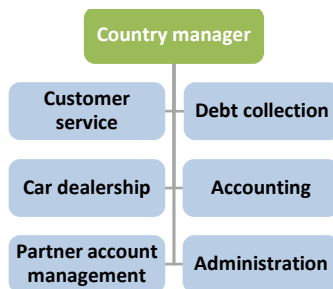
### *Overview*

The Group is directed by the board of directors (*conseil d'administration*) of the Issuer and the management team of Mogo. The management team is formed by the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Information Officer (See “*Management*.”) In addition, the Group has a Head of Data Science, Head of Marketing, Head of Legal and country managers.

The Group's organization structure is set out in the chart below.



The organization structure for the typical local operation unit in each jurisdiction is set out in the chart below.



## 6. Properties of the Group

We do not own any land or buildings. We lease a number of our premises and certain equipment 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.

## 7. Employees

As of 30 June 2019, we had 815 employees. 194 employees were based in Latvia; 143 of these employees were engaged in Group-level functions. The table below sets forth the number of employees based in each of our countries of operation as of the respective dates.

Country	30 June 2019	31 December 2018
Latvia (group functions)	143	99
Latvia (operations)	51	46
Lithuania (operations)	48	35

Estonia	17	17
Georgia	102	97
Poland	13	8
Romania	44	42
Bulgaria	58	53
Moldova	31	22
Albania	35	21
Belarus	36	21
Armenia	86	59
Ukraine	3	5
North Macedonia	15	12
Uganda	20	-
Kenya	19	-
Kazakhstan	75	6
Uzbekistan	19	8
<b>Total</b>	<b>815</b>	<b>551</b>

We expect that the number of employees in our countries of operation as well as the total number of our employees will grow going forward. The most significant increases in the number of employees in 2019 were in Latvia (due to our headquarters in Latvia that includes Group level employees), Kazakhstan, Uzbekistan and Bulgaria.

### ***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 labor dispute with our employees.

## **8. Material Agreements**

The following section provides a summary of material agreements to which any member of the Group is a party.

### **a. Notes due 31 March 2021**

On 13 October 2014, AS “mogo” issued the EUR 20 million 10% notes due 31 March 2021, ISIN LV0000801363 (the “**AS mogo Notes 1**”). On 27 November 2017, AS “mogo” issued further EUR 10 million 10% notes due 31 March 2021 ISIN LV0000880029 (the “**AS mogo Notes 2**”). The AS mogo Notes 1



are traded on the regulated market NR Baltic Bond List of NASDAQ Riga. The AS mogo Notes 2 are traded on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga. The AS mogo Notes will mature on 31 March 2021.

The AS mogo Notes are unsecured and equivalent to other unsecured loans of AS “mogo”. The AS mogo Notes rank *pari passu* in right of payment to all of AS “mogo”'s existing and future senior unsecured indebtedness.

As of 31 December 2018, the principal outstanding amount and accumulated interest under the AS mogo Notes was EUR 30 million.

**b. Mezzanine Facility Agreement**

On 5 May 2015 BONRIKI HOLDINGS LIMITED, a company incorporated in Cyprus, with registered number HE 342310 and having its registered office at Diomidous, 10, Alphamega Akropolis Building, 3rd Floor, Flat/Office 401 2024, Nicosia, Cyprus (“**Bonriki**”), entered into a mezzanine facility agreement with the Issuer, amended on 23 May 2016 (the “**Bonriki Mezzanine Facility Agreement**”). In accordance with the Bonriki Mezzanine Facility Agreement a facility in amount of EUR 12,000,000 was made available to the Issuer. The Bonriki Mezzanine Facility Agreement provided for an interest rate of 12.5% and maturity date 31 August 2018. Pursuant to a deed of subordination the intra-group liabilities of the Issuer were to be subordinated to the obligations of the Issuer under the Bonriki Mezzanine Facility Agreement.

The Bonriki Mezzanine Facility Agreement was secured with share pledge agreements.

In addition, Bonriki was granted a warrant over the shares of the Issuer whereby Bonriki may acquire 2.5% shares of the Issuer by 21 June 2021 (see “*Information about the Issuer—Share capital and shareholders*” above). The Issuer’s shareholders as the original shareholders and Bonriki Holdings Limited as the warrant holder and potential shareholder of the Issuer entered into a shareholders’ agreement. This agreement contains certain matters which the parties have agreed regarding the governance and management of, and their (direct or indirect) investments in, the Issuer. It is understood that the purpose of this agreement is to govern the relationship between the warrant holder on the one hand and the original shareholders on the other hand, both before and after exercise of the warrant, but it is intended that the relationship between the original shareholders shall continue to be governed by the original Issuer Shareholders’ Agreement to the extent this agreement does not deviate from the Issuer Shareholders’ Agreement.

With the proceeds of the Existing Bonds the Issuer repaid the Bonriki Mezzanine Facility Agreement in full before the maturity date of 31 August 2018.

**c. Mintos**

Eight Guarantors 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 platform typically works as follows: (i) borrowers (i.e., Mogo’s customers) apply for a loan with the loan originator (i.e., Mogo), (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 Mogo, 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 Mogo. The loans are secured by security agreements entered between Mintos OÜ (Estonia), AS Mintos Marketplace (Latvia) and the relevant Mogo entity.

Below a brief description of the contractual arrangement with the Mintos marketplace for each jurisdiction where we operate:

## **1. Latvia**

(A) Mintos Finance Estonia OÜ (Estonia) issues several small loans to AS “mogo” (Latvia) and Mintos Finance Estonia 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 Finance Estonia OÜ (Estonia) loans to AS “mogo” (Latvia) (pledge is registered in favor of Mintos Finance Estonia 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 Finance Estonia OÜ (Estonia) to the investor in the Mintos platform at the moment when the investor has fully paid the claim price to Mintos Finance Estonia OÜ (Estonia).

### Security agreements in place:

#### 1.1. receivables pledge agreement

Pledgor: AS “mogo” (Latvia)

Pledgee: Mintos Finance Estonia OÜ (Estonia)

Maximum amount of receivables to be pledged: EUR 20 million

#### 1.2. 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 Finance Estonia OÜ (Estonia) issues several small loans to AS "Renti" (Latvia) and Mintos Finance Estonia 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 Finance Estonia OÜ (Estonia) loans to AS "Renti" (Latvia) (pledge is registered in favor of Mintos Finance Estonia 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 Finance Estonia OÜ (Estonia) to the investor in the Mintos platform at the moment when the investor has fully paid the claim price to Mintos Finance Estonia OÜ (Estonia).

Security agreements in place:

1.1. receivables pledge agreement

Pledgor: AS "Renti" (Latvia)

Pledgee: Mintos Finance Estonia OÜ (Estonia)

Maximum amount of receivables to be pledged: EUR 10 million

**2. Estonia**

Standard assignment agreement whereby mogo OÜ (Estonia) originates claims from its customers and assigns further to investors through the Mintos platform. AS Mintos Marketplace (Latvia) maintain and manages the Mintos platform and services claims of the investors.

Security agreements in place:

2.1. Guarantee Agreement No.1/2015-G

Creditor: AS Mintos Marketplace (Latvia) and assignees

Loan Originator: mogo OÜ (Estonia)

Guarantor: Mogo Finance (Luxembourg)

In accordance with this agreement, in order to secure the Creditor's monetary claims towards the Loan Originator arising (or that may arise) from the principal agreements, the Guarantor guarantees to the Creditor the performance of Loan Originator'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 any of Mintos' affiliates arising from the loan agreements concluded by any of Mintos' affiliates with the Loan Originator or any of its affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its affiliates to any affiliate of Mintos or Loan Originator and further assigned by such affiliate of Mintos or Loan Originator to the assignees that arise from the loan agreements concluded by Loan Originator or any of its affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its affiliates arising from the loan agreements concluded by the Loan Originator or any of its affiliates as the lender and the borrower, to assignees through portal.

### **3. Lithuania**

Standard assignment agreement whereby UAB "mogo LT" (Lithuania) originates claims from its customers and assigns further to investors through the Mintos platform. AS Mintos Marketplace (Latvia) maintain and manages the Mintos platform and services claims of the investors.

#### Security agreements in place:

##### **3.1. Guarantee Agreement No.2/2015-G**

Creditor: AS Mintos Marketplace (Latvia) and assignees

Loan Originator: UAB mogo LT (Lithuania)

In accordance with this agreement, in order to secure the Creditor's monetary claims towards the Loan Originator arising (or that may arise) from the principal agreements, the Guarantor guarantees to the Creditor the performance of Loan Originator'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 any of Mintos' affiliates arising from the loan agreements concluded by any of Mintos' affiliates with the Loan Originator or any of its affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its affiliates to any affiliate of Mintos or Loan Originator and further assigned by such affiliate of Mintos or Loan Originator to the assignees that arise from the loan agreements concluded by Loan Originator or any of its affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its affiliates arising from the loan agreements concluded by the Loan Originator or any of its affiliates as the lender and the borrower, to assignees through portal.

#### **4. Poland**

Standard assignment agreement whereby Mogo Poland sp. z o.o. (Poland) originates claims from its customers and assigns further to investors through the Mintos platform. AS Mintos Marketplace (Latvia) maintain and manages the Mintos platform and services claims of the investors.

##### Security agreement in place:

##### 4.1. Guarantee Agreement No.5/2017-G

Creditor: AS Mintos Marketplace (registration No.40103903643) (Latvia)

Loan Originator: Mogo Poland sp. z o.o. (Poland)

Guarantor: Mogo Finance S.A. (Luxembourg)

In accordance with this agreement, in order to secure Creditors' monetary claims towards the Loan Originator arising (or that may arise) from the Principal Agreements, the Guarantor guarantees to the Creditors the performance of Loan Originator'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:

1. 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).
2. ICR for the Guarantor's group of not less than 1.25 (one point twenty five).
3. 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 any of Mintos' Affiliates arising from the loan agreements concluded by any of Mintos' Affiliates with the Loan Originator or any of its Affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its Affiliates to any Affiliate of Mintos or Loan Originator and further assigned by such Affiliate of Mintos or Loan Originator to the assignees that arise

from the loan agreements concluded by Loan Originator or any of its Affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its Affiliates arising from the loan agreements concluded by the Loan Originator or any of its Affiliates as the lender and the borrower, to assignees through the portal.

## 5. Romania

SIA Mintos Finance (Latvia) issues several small loans to Mogo IFN SA (Romania) and SIA Mintos Finance (Latvia) assigns claims arising out of these loans to investors in its platform. The assignment is secured with mortgage over receivables (mortgage is registered in favor of SIA Mintos Finance (Latvia) as the fiduciary agent for investors in accordance with the assignment agreement and the mortgage over the receivables).

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

### Security agreements in place:

#### 5.1. movable mortgage agreement over receivables

Pledgor: Mogo IFN SA (Romania)

Pledgee: SIA Mintos Finance (Latvia)

Maximum amount of receivables to be mortgaged: EUR 12 million

#### 5.2. Guarantee Agreement No.37/2017-G

Creditor: AS Mintos Marketplace (Latvia)

Loan Originator: Mintos Finance Estonia OU (Estonia)

Partner: Mogo IFN SA (Romania)

Guarantor: Mogo Finance S.A. (Luxembourg)

In accordance with this agreement, in order to secure 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).

Non-performing loans ratio. Outstanding principal amount of defaulted loans (loans provided by the Partner with days past due above 60 (sixty) days) is less than 15% (fifteen per cent) from the outstanding principal amount of all loans provided by the Partner during vintage period (each 3 (three) month period starting December 2018) within 5 (five) months after the leases are provided.

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 any of Mintos' Affiliates arising from the loan agreements concluded by any of Mintos' Affiliates with the Loan Originator or any of its Affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its Affiliates to any Affiliate of Mintos or Loan Originator and further assigned by such Affiliate of Mintos or Loan Originator to the Assignees that arise from the loan agreements concluded by Loan Originator or any of its Affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its Affiliates arising from the loan agreements concluded by the Loan Originator or any of its Affiliates as the lender and the borrower, to assignees through the portal.

## 6. Bulgaria

Standard assignment agreement whereby Mogo Bulgaria OOD (Bulgaria) originates claims from its customers and assigns further to investors through the Mintos platform. AS Mintos Marketplace (Latvia) maintain and manages the Mintos platform and services claims of the investors.

### Security Agreement in place:

#### 6.1. Guarantee Agreement No.15/2017-G

Mintos: AS Mintos Marketplace (Latvia)

Creditors: AS Mintos Marketplace (Latvia) and assignees

Guarantor: Mogo Finance S.A. (Luxembourg)

Loan Originator: Mogo Bulgaria OOD (Bulgaria)

Assignees: the users, who has acquired the claims from Loan Originator pursuant to the assignment agreements

In accordance with this guarantee agreement, in order to secure Creditors' monetary claims towards the Loan Originator arising from the principal agreements, the Guarantor hereby guarantees to the Creditors the performance of Loan Originator's obligations that may be incurred and arising from all principal agreements. The Guarantor undertakes to the Creditors that Guarantor shall fund the Loan Originator by transferring necessary amounts to the Creditors, if the Loan Originator fails to perform its own obligations under the principal agreements.

During the effectiveness of the guarantee agreement, the Guarantor undertakes to ensure the following consolidated financial ratios of the Guarantor's group (the Guarantor and its Affiliates as a group):

1. Capitalization ratio – not 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).
2. ICR for the Guarantor's group of not less than 1.25 (one point twenty five).
3. 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 any Mintos' affiliates arising from the loan

agreements concluded by any of Mintos' affiliates with the Loan Originator or any of its affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its affiliates to any affiliate of Mintos or Loan Originator and further assigned by such affiliate of Mintos or Loan Originator to the assignees that arise from the loan agreements concluded by the Loan Originator or any of its affiliate as the lender with the borrower; (iii) outstanding loans assigned by the Loan Originator or its affiliates arising from the loan agreements concluded by the Loan Originator or any of its affiliates as the lender and the borrower, to assignees through the portal.

## **7. Georgia**

Cooperation agreement whereby Mogo LLC (Georgia) originates claims from its customers and assigns further to investors through the Mintos platform. AS Mintos Marketplace (Latvia) maintain and manages the Mintos platform and services claims of the investors.

### Security agreement in place:

#### 7.1. Guarantee Agreement No. 22/2018-G

Creditor: AS Mintos Marketplace (Latvia) and assignees

Loan Originator: Mogo LLC (Georgia)

Guarantor: Mogo Finance (Luxembourg)

In accordance with this agreement, in order to secure the Creditor's monetary claims towards the Loan Originator arising (or that may arise) from the principal agreements, the Guarantor guarantees to the Creditor the performance of Loan Originator'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 any of Mintos' Affiliates arising from the loan agreements concluded by any of Mintos' Affiliates with the Loan Originator or any of its Affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its Affiliates to any Affiliate of Mintos or Loan Originator and further assigned by such Affiliate of Mintos or Loan Originator to the Assignees that arise from the loan agreements concluded by Loan Originator or any of its Affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its Affiliates arising from the loan agreements concluded by the Loan Originator or any of its Affiliates as the lender and the borrower, to Assignees through Portal.



## 8. Moldova

Mintos OÜ (Estonia) issues several small loans to Mogo Loans LTD (Moldova) 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 Mogo Loans LTD (Moldova) (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:

#### 8.1. receivables pledge agreement

Pledgor: Mogo Loans LTD (Moldova)

Pledgee: Mintos OÜ (Estonia)

Maximum amount of receivables to be pledged: EUR 10 million

#### 8.2. Guarantee Agreement No.25/2018-G

Creditor: AS Mintos Marketplace (Latvia)

Loan Originator: Mintos Finance Estonia OU (Estonia)

Partner: Mogo Loans LTD (Moldova)

Guarantor: Mogo Finance S.A. (Luxembourg)

In accordance with this agreement, in order to secure 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).

Non-performing loans ratio. Outstanding principal amount of defaulted loans (loans provided by the Partner with days past due above 60 (sixty) days) is less than 15% (fifteen per cent) from the outstanding principal amount of all loans provided by the Partner during vintage period (each 3 (three) month period starting December 2018) within 5 (five) months after the leases are provided.

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 any of Mintos' Affiliates arising from the loan agreements concluded by any of Mintos' Affiliates with the Loan Originator or any of its Affiliates as the

borrower; (ii) claims initially assigned by the Loan Originator or any of its Affiliates to any Affiliate of Mintos or Loan Originator and further assigned by such Affiliate of Mintos or Loan Originator to the assignees that arise from the loan agreements concluded by Loan Originator or any of its Affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its Affiliates arising from the loan agreements concluded by the Loan Originator or any of its Affiliates as the lender and the borrower, to assignees through the Portal.

## **9. Armenia**

Standard assignment agreement whereby MOGO Universal Credit Organization LLC (Armenia) originates claims from its customers and assigns further to investors through the Mintos platform. AS Mintos Marketplace (Latvia) maintain and manages the Mintos platform and services claims of the investors.

### Security agreement in place:

#### 9.1. Guarantee Agreement No.12/2019-G

Creditor: AS Mintos Marketplace (Latvia) and assignees

Loan Originator: MOGO Universal Credit Organization LLC (Armenia)

Guarantor: Mogo Finance (Luxembourg)

In accordance with this agreement, in order to secure the Creditor's monetary claims towards the Loan Originator arising (or that may arise) from the principal agreements, the Guarantor guarantees to the Creditor the performance of Loan Originator'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 any of Mintos' affiliates arising from the loan agreements concluded by any of Mintos' affiliates with the Loan Originator or any of its affiliates as the borrower; (ii) claims initially assigned by the Loan Originator or any of its affiliates to any affiliate of Mintos or Loan Originator and further assigned by such affiliate of Mintos or Loan Originator to the assignees that arise from the loan agreements concluded by Loan Originator or any of its affiliate as the lender with the borrower and (iii) outstanding loans assigned by the Loan Originator or its affiliates arising from the loan agreements concluded by the Loan Originator or any of its affiliates as the lender and the borrower, to assignees through the portal.

With the proceeds of the Existing Bonds the Issuer partially refinance the financing received through the Mintos marketplace platform (the “**Mintos Debt**”). With the proceeds of the New Bonds the Issuer intends to partially refinance the Mintos Debt.

**d. Ardshinbank (Armenian Bank)**

**Georgia**

On 26 February 2018 Ardshinbank, a company incorporated in Armenia, with registration certificate number 0394 and registration number 83 (“**Ardshinbank**”), has made a facility available to Mogo LLC (Georgia) in the amount of EUR 1,000,000.00 (the “**Ardshinbank Georgian Facility Agreement**”). The Ardshinbank Georgian Facility Agreement provides for an interest rate of 7.8% and maturity date of 2 March 2021.

The Ardshinbank Georgian Facility Agreement is secured with the following security instruments:

1. Latvia

A surety (suretyship agreement dated 26 February 2018) for the whole principal amount granted by AS “mogo” (Latvia).

2. Georgia

An account pledge agreement over the funds in the bank accounts of Mogo LLC (Georgia) in favor of Ardshinbank.

**Armenia**

On 29 September 2017 Ardshinbank, has made a facility available to MOGO Universal Credit Organization LLC (Armenia) in the amount of up to AMD 200,000,000.00 (the “**Ardshinbank Armenian September 2017 Facility Agreement**”). The Ardshinbank Armenian September 2017 Facility Agreement provides for an interest rate of 12% and maturity date of 5 October 2020.

The Ardshinbank Armenian September 2017 Facility Agreement is secured with an account pledge agreement over the funds in the bank accounts of MOGO Universal Credit Organization LLC (Armenia) in favor of 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 3,800,000,000.00 (the “**Ardshinbank Armenian November 2017 Facility Agreement**”). The Ardshinbank Armenian November 2017 Facility Agreement provides for an interest rate of 12.75% and maturity date of 2 November 2020.

The Ardshinbank Armenian November 2017 Facility Agreement is secured with an account pledge agreement over the funds in the bank accounts of MOGO Universal Credit Organization LLC (Armenia) in favor of Ardshinbank, a guarantee granted by Mogo Finance (Luxembourg) and a receivables pledge agreement on certain receivables of MOGO Universal Credit Organization LLC (Armenia), in compliance with the Terms and Conditions.

**e. AS “Citadele banka”**

On 8 July 2019, (1) AS “mogo” (Latvia), (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) AS “mogo” (Latvia), (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 2019 Facility Agreement**”). The Citadele 2019 Facility Agreement provides for an interest rate of 8% and a maturity date of 31 July 2021.

The Citadele 2019 Facility Agreement is secured with receivables pledge agreements on certain receivables of AS “mogo”, mogo OU and UAB “mogo LT” in favor of AS “Citadele banka”, in compliance with the Terms and Conditions.

## **9. 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 June 2019.

1. Mogo Finance S.A. (Luxembourg) as lender has entered into several credit line agreements with the following Group companies:
  - a. Albania - Mogo Albania SH.A. as borrower made on 01.06.2017 - outstanding loan amount EUR 2,467,811.54 on 30.06.2019;
  - b. Bulgaria - Mogo Bulgaria OOD as borrower made on 01.06.2016 - outstanding loan amount EUR 3,696,081.10 on 30.06.2019;
  - c. Moldova - Mogo Loans SRL as borrower made on 14.08.2017 - outstanding loan amount EUR 7,107,273.33 on 30.06.2019;
  - d. Poland - Mogo sp. z o.o. as borrower made on 01.04.2016 - outstanding loan amount EUR 7,717,264.16 on 30.06.2019;
  - e. Romania - Mogo IFN S.A. as borrower made on 13.01.2017 - outstanding loan amount EUR 2,019,500.00 on 30.06.2019;
  - f. Latvia - AS Mogo Eastern Europe as borrower on 05.09.2017 - outstanding loan amount EUR 2,576,992.00 on 30.06.2019;
  - g. Lithuania - UAB mogo LT as borrower made on 27.04.2015 - outstanding loan amount EUR 1,470,000.00 on 30.06.2019;
  - h. Belarus – Mogo Credit as borrower made on 19.03.2018 – outstanding loan amount EUR 7,200,296.88 on 30.06.2019;
  - i. Latvia – AS Longo Group as borrower made on 20.04.2018 – outstanding loan amount EUR 1,341,036.60 on 30.06.2019;
  - j. North Macedonia – Leasing Company MOGO DOOEL Skopje as borrower made on 19.07.2018 – outstanding loan amount EUR 1,421,222.22 on 30.06.2019;

- k. Latvia – AS Mogo Baltics and Caucasus as borrower made on 27.07.2018 – outstanding loan amount EUR 1,758,816.67 on 30.06.2019;
  - l. Latvia – AS Mogo Central Asia as borrower made on 27.07.2018 – outstanding loan amount EUR 1,730,039.99 on 30.06.2019;
  - m. Uzbekistan – OOO Mogo Lend as borrower made on 05.09.2018 – outstanding loan amount EUR 1,906,565.00 on 30.06.2019;
  - n. Bosnia and Herzegovina – Mogo d.o.o. Sarajevo as borrower made on 17.09.2018 – outstanding loan amount EUR 3,996,603.67 on 30.06.2019;
  - o. Kazakhstan – Mogo Kazakhstan TOO as borrower made on 21.09.2018 – outstanding loan amount EUR 3,341,362.70 on 30.06.2019;
  - p. Armenia – Mogo UCO LLC as borrower made on 22.11.2018 – outstanding loan amount EUR 6,560,104.67 on 30.06.2019;
  - q. Lithuania – Longo LT UAB as borrower made on 27.11.2018 – outstanding loan amount EUR 1,692,378.34 on 30.06.2019;
  - r. Latvia – AS Longo Latvia as borrower made on 27.11.2018 – outstanding loan amount EUR 1,231,679.32 on 30.06.2019;
  - s. Netherlands – Longo Netherlands B.V. as borrower made on 27.11.2018 – outstanding loan amount EUR 1,618,271.75 on 30.06.2019; and
  - t. other Group Companies with amount below 1 million EUR to whom outstanding loan amount total EUR 4,750,277.57 on 30.06.2019;
2. Mogo LLC (Georgia) as lender has entered into a credit line agreement with Mogo Finance S.A. (Luxembourg) as borrower on 04.04.2019 - outstanding loan amount EUR 3,125,689.06 on 30.06.2019.
  3. Mogo AS (Latvia) as lender has entered into two credit line agreements with the following Group companies:
    - a. Luxembourg - Mogo Finance S.A. as borrower on 28.09.2017 - outstanding loan amount EUR 16,434,957.57 on 30.06.2019;
    - b. Latvia – AS Renti as borrower on 03.01.2019 - outstanding loan amount EUR 2,588,345.57 on 30.06.2019;
    - c. Lithuania - UAB mogo LT as borrower on 27.06.2016 - outstanding loan amount EUR 0 on 30.06.2019.
    - d. Moldova - O.C.N. “MOGO LOANS” SRL as borrower on 26.03.2018 - outstanding loan amount EUR 0 on 30.06.2019.
    - e. Bulgaria - Mogo Bulgaria OOD as borrower on 27.03.2018 - outstanding loan amount EUR 0 on 30.06.2019.
  4. Mogo LLC (Georgia) as lender has entered into a credit line agreement with mogo AS (Latvia) as borrower on 27.03.2018. - outstanding loan amount EUR 0 on 30.06.2019.

In addition, the following financing agreement with a related party was entered into :

1. Mogo Finance S.A. (Luxembourg) as the Lender has entered into a loan agreement with SIA DCE Invest, registration number 40103759679, legal address Alberta iela 1-15, Riga, Latvia, LV-1010 as borrower on
  - a. 16.02.2017 - with outstanding loan amount EUR 2,679,594.22 on 30.06.2019.
  - b. 07.06.2018 - with outstanding loan amount EUR 1,627,257.09 on 30.06.2019.
2. Mogo Finance S.A. (Luxembourg) as the Lender has entered into a loan agreement with AS Novo Holdings, registration number 40103806598, legal address Skanstes iela 50 as borrower on 20.12.2017 with outstanding loan amount EUR 675,130.42 on 30.06.2019.
3. Mogo Finance S.A. (Luxembourg) as the subordinated borrower has entered into subordinated loan agreements with:
  - a. SIA "AK Family Investments", a company incorporated in the Republic of Latvia with registration number 52103097551, having its registered office at Jūras iela 12, Liepaja, LV-3401, Latvia, on 24 September 2019 with outstanding principal loan amount EUR 500,001 on 22 October 2019 and commitment to increase the nominal amount up to EUR 4,500,000.
  - 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 166,666 on 22 October 2019 and commitment to increase the nominal amount up to EUR 1,500,000.
  - c. AS Obelo Capital, a company incorporated in the Republic of Latvia with registration number 40103806155, having its registered office at Skanstes iela 52, Rīga, LV-1013, Latvia, on 24 September 2019 with outstanding principal loan amount EUR 166,666 on 22 October 2019 (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 Antonijas iela 8-4, Riga, LV-1010, Latvia, on 24 September 2019 with outstanding principal loan amount EUR 166,666 on 22 October 2019 and commitment to increase the nominal amount up to EUR 1,500,000.
  - 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 0.00 on 22 October 2019 and commitment to increase the nominal amount up to EUR 1,500,000.
  - f. TIO INVESTMENTS LIMITED, a company incorporated and existing under the laws of the Republic of Malta with registration number

C78391, having its registered office at 40, Villa Fairholme, Sir Augustus Bartolo Street, TA XBIEX XBX 1095, Malta, on 22 August 2018 with outstanding principal loan amount EUR 2,500,000 on 22 October 2019 (claims under this subordinated loan agreement have been assigned on 13 October 2019 to SIA "AK Family Investments", a company incorporated in the Republic of Latvia with registration number 52103097551, having its registered office at Jūras iela 12, Liepaja, LV-3401, Latvia).

**b. CREDIT DERIVATIVE TRANSACTION (CREDIT DEFAULT SWAP)**

- a. ISDA (International Swap and Derivatives Association, Inc) 2002 Master Agreement dated as 31.12.2016 between UAB Mogo LT as Party A and Risk Management Services OU as Party B.

This credit derivative transaction constitutes a credit default swap transaction that transfers the credit risk associated with a third party (the Reference Entity) from one party (the Buyer) to the other (the Seller). In this transaction, one party (the Buyer) pays a fixed payment to another party (the Seller) in exchange for protection related to the occurrence of Credit Events related to Obligations (loans) of that Reference Entity. Upon occurrence of a Credit Event the Buyer acquires the right to deliver Deliverable Obligations to the Seller and to receive from the Seller the Floating Payment.

- b. Buyer: **Mogo LT UAB** (Lithuania)
- c. Seller: **Risk Management Services OÜ** (Estonia)
- d. General Terms:
- i. Trade Date: 31 December 2016
  - ii. Effective Date: 1 January 2017
  - iii. Floating Rate Payer: Seller
  - iv. Fixed Rate (CDS fee) Payer: Buyer
  - v. Calculation Agent: Buyer
  - vi. Reference Entity: Customer of the Buyer, being private individual
  - vii. Reference Obligation: Receivables of the Buyer towards Reference Entity resulting from the lease contracts and loan contracts, principal and interest (unpaid balance), as for 2016/12/31 (Portfolio)
  - viii. The transaction covers all open portfolio of the Buyer as for the Trade Date, with exception of the receivables which are intended to be sold to the third party, with respect to the offer received by the Buyer.
  - ix. Deliverable Obligations: Reference Obligations with respect to which Credit Event occurred for the outstanding: Reference entity main obligation (payment of the deposits); interests, specified in Credit Event Notice.

## 10. Legal Proceedings

No member of the Group 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 our financial position or profitability.

## 11. Credit Rating

On 23 July 2019, Fitch Deutschland GmbH (“**Fitch**”) has assigned (i) a Long-Term Issuer Default Rating (IDR) of ‘B-’ with Stable Outlook to the Issuer, (ii) a Short-Term Issuer Default Rating (IDR) of ‘B’ to the Issuer and (iii) a Senior Secured Debt Rating of ‘B-/RR4’ for the Bonds.

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;
- an “Outlook” indicates the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached or been sustained the level that would cause a rating action, but which may do so if such trends continue. A positive rating outlook indicates an upward trend on the rating scale. Conversely, a negative rating outlook signals a negative trend on the rating scale. Positive or negative rating outlooks do not imply that a rating change is inevitable, and similarly, ratings with stable outlooks can be raised or lowered without a prior revision to the outlook. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the rating outlook may be described as “Evolving”;
- a “RR4” rating indicates that the securities have characteristics consistent with securities historically recovering 31%–50% of current principal and related interest; and
- 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 Issuer and the Bonds by Fitch is not necessarily indicative of the ratings that may in the future be issued in respect of the Issuer and/ or the Bonds by Fitch or by any other rating agency.

The ratings take into account Mogo's nominal franchise in a competitive niche, increasing exposure to volatile markets, elevated risk appetite and high leverage.



The ratings also reflect sound profitability, a track record in placing public bonds and adequate experience of the management team.

## **12. Recent Events and Trends**

Our business has grown substantially in recent years, and we continue to monitor business development opportunities in new countries as well as existing markets. While we have only made use of organic growth, we aim to leverage our existing expertise to expand into countries which we believe have an attractive customer base and growth potential. We have set up subsidiaries of the Issuer in Ukraine, Belarus and Spain. We started operations in Belarus in April 2018 and in Ukraine in September 2018. On 1 October 2018 a share purchase agreement has been signed to integrate Leasing Company MOGO DOOEL Skopje into the Group; the acquisition was subject to the approval by the Ministry of Finance of Macedonia, which occurred in 2019. We further started operations in Uzbekistan, Uganda, Kenya and Kazakhstan. New loans are currently not issued in Poland and Ukraine and the focus is only on servicing the existing loan portfolio. Whether local entities will restart the issuance of new loans in Poland and Ukraine is currently being assessed by Group and it is planned that the respective decisions will be made in the beginning of 2020. With effect from 14 January 2019, Edgars Egle stepped down from his position as CEO of Mogo Finance and handed over responsibility to Modestas Sudnius as his successor, who had been Co-CEO since 1 November 2018. Edgars Egle accompanied the change until the end of March 2019 as a member of the board of directors of the Issuer.

On 4 November 2019, the board of directors of the Issuer approved the appointment of KPMG as new auditor of the Group starting from the financial statements for the year ending on 31 December 2019.

## XXII. MANAGEMENT

Below we describe the management of the Issuer.

In accordance with the Issuer'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 Issuer 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 Issuer is supported by the management team of Mogo, 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

The share capital of the Issuer is entirely held by its shareholders as further described under "Information About the Issuer – 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 Issuer as well as setting their remuneration, (ii) approving the annual financial statements of the Issuer, (iii) amending the articles of association of the Issuer, (iv) deciding on the dissolution and liquidation of the Issuer, and (v) changing the nationality of the Issuer.

The Issuer 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 Issuer. 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 Issuer as often as the interest of the Issuer 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 Issuer may, from time to time, delegate its power to conduct the daily management (*gestion journalière*) of the Issuer to one or more directors, i.e., the managing director(s) (*administrateur(s) délégué(s)*), commit the management of the affairs of the Issuer 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 Issuer 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 Issuer 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 Issuer, 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 Issuer, 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 Issuer to be held in 2022	Category A director
Maris Kreics .....	1985	the annual general meeting of the Issuer to be held in 2022	Category A director
Delphine Glessinger.	1981	the annual general meeting of the Issuer to be held in 2022	Category B director
Sebastian Koller .....	1984	the annual general meeting of the Issuer to be held in 2022	Category B director

**Modestas Sudnius**, with business address at Skanstes street 50, LV-1013 Riga, Latvia, was appointed as CEO of the Group in January 2019 and as director of the Issuer 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 50, LV-1013 Riga, Latvia, was appointed as director of the Issuer 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 Issuer 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.

**Sebastian Koller**, with business address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, was appointed as director of the Issuer in 2018. Mr. Koller has experience in providing corporate, accounting and tax services

to multi-national corporations, real estate and private equity firms since 2008. Mr. Koller has a bachelor degree of International Business, University of Applied Sciences, Trier, Germany and holds Luxembourg Tax Diploma (LLLC).

Modestas Sudnius and Maris Kreics have no principal activities outside of Mogo. The principal outside activities of Delphine Glessinger and Sebastian Koller 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 Issuer confirm that, otherwise, there is no conflict of interest between their duties as a director of the Issuer and their principal and/or other outside activities.

## 2. Corporate Governance

Each country's Group company is entitled to take operational decisions regarding its business activities. Countries located in a certain region are combined in clusters ("**Hubs**"). Each Hub is entitled to take decisions regarding the activities of the countries included in the Hub as well as Hub common frame activities.

In order to have efficient management of the Group's activities in each jurisdiction the Group has established in Latvia the following management companies representing the different Hubs:

- 1) AS Mogo Baltics and Caucasus;
- 2) AS HUB 2 (Balkans region);
- 3) AS Mogo Eastern Europe;
- 4) AS Mogo Central Asia; and
- 5) AS Mogo Africa.

Strategic decisions related to the countries where the Group operates and/or the Hubs are taken by the management team of Mogo, which is responsible for the governance of the Group in general (see "*Information about the Group and the Guarantors - Organization Structure*" above).

The current management team of Mogo is set forth in the table below:

Name	Year of Birth	Position
Modestas Sudnius .....	1986	CEO of the board of directors of the Issuer, and CEO of the Group
Maris Kreics .....	1985	Chief Financial Officer (CFO) of the Group
Mikus Janvars .....	1982	Chief Operating Officer (COO)

**Modestas Sudnius** see "*– Management of the Issuer*" above.

**Māris Kreics** see "*– Management of the Issuer*" above.

**Mikus Janvars**, with business address at Skanstes street 50, LV-1013 Riga, Latvia, was appointed as COO of the Group in 2019.

Mikus Janvars joined Mogo Finance in 2019, bringing more than 15 years of finance, investment banking and managerial experience to his role with the company. Prior to joining Mogo Finance, Mikus Janvars was a founding Partner at Porta Finance, an independent advisory firm in exclusive partnership with Rothschild & Co in the Baltics. Before Porta Finance Mikus Janvars worked for NASDAQ and PwC. Mikus Janvars holds an M.Sc. International Economic Relations from the University of Latvia and a B.Sc. in Business Administration from Stockholm School of Economics in Riga.

Modestas Sudnius, Māris Kreics and Mikus Janvars have no principal activities outside of Mogo.

### **3. Audit Committee**

In 2019 the Issuer 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 Issuer. The members of the audit committee consist of three members being Mārtiņš Muižnieks, Paul Ryan and Franck-Oliviera 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 directors and officers**

As of the date of this Prospectus, none of the members of the board of directors of the Issuer, other than Maris Kreics (holding indirect interest in the Issuer equal to 18.679 % of the share capital of the Issuer), has an ownership interest in the share capital of the Issuer and there are no other potential conflicts of interest between any duties of the board of directors of the Issuer and their private interests and/or other duties.

### **5. Litigation statement about directors and officers**

As of the date of this Prospectus, none of the members of the board of directors 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 Group**

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.

## XXIII. TERMS AND CONDITIONS OF THE BONDS

### 1. DEFINITIONS AND CONSTRUCTION

#### 1.1 Definitions

In these terms and conditions (these “**Terms and Conditions**”):

“**Account Pledge Agreements**” means the pledge agreements entered into between the Security Agent and the Pledgors (or to be entered into within ninety (90) calendar days after a Restricted Subsidiary becomes an Additional Pledgor) in respect of first priority pledges over the Pledgors Accounts and all funds held on the Pledgors Accounts from time to time, granted in favour of the Security Agent acting for the Holders.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Additional Amounts**” means any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Relevant Taxing Jurisdiction on any payment by the Obligors of principal or interest or any other payment in relation to the Bonds under the Finance Documents.

“**Additional Guarantor**” has the meaning set forth in Condition 11.10 (*Additional Guarantee*).

“**Additional Pledgor**” has the meaning set forth in Condition 11.11 (*Additional Transaction Securities*).

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) calendar days after the date of supply or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person and/or any Person that is related in a straight line of descent with such specified Person or a brother or a sister of such specified Person (each a “**Related Person**”) and/or any Person, directly or indirectly, controlled by such Related Person. For the purpose of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agent**” means the Holders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Greenmarck Restructuring Solutions GmbH, established in 2010 and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany.

“**Agent Agreement**” means the agency agreement entered into on 5 July 2018 between the Issuer and the Agent, or any replacement agent agreement entered into thereafter between the Issuer and an Agent.

“**Bonds**” has the meaning set forth in Condition 2.1 (*Principal Amount, Currency and Denomination*).

“**Bond Issue**” means the issuance of the Bonds.

“**Business Day**” means any day on which banking institutions are open for business in Luxembourg, Riga and Frankfurt am Main and payments in Euro may be settled via the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET 2).

“**Business Day Convention**” means the first following day that is a Business Day.

“**Calculation Agent**” has the meaning set forth in Condition 14.2 (*Calculation Agent*).

“**Call Option Amount**” means:

- (a) the Make Whole Amount if the Call Option is exercised before the First Call Date;
- (b) 104.75 per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to 11 July 2021 (the “**Second Call Date**”);
- (c) 102.375 per cent. of the Nominal Amount if the call option is exercised after the Second Call Date up to (but excluding) the Maturity Date.

“**Capital Lease Obligations**” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with the Accounting Principles, and the scheduled maturity date thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“**Capital Stock**” means:

- (a) in the case of a corporation, corporate stock, including shares (*actions*) in case of a Luxembourg company;
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt



securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

**“Capitalization Ratio”** means, for the Issuer as of any date of determination, the result (expressed as a percentage) obtained by dividing (x) Consolidated Net Worth of the Issuer (calculated as of the end of the Relevant Period ending on the last day of the period covered by the most recent Financial Report prior to the date of the transaction giving rise to the need to calculate Consolidated Net Worth) by (y) Net Loan Portfolio as of such date of determination.

**“Cash and Cash Equivalents”** means cash and cash equivalents in accordance with the Accounting Principles.

**“Change in Tax Law”** means (a) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation or (b) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction.

**“Change of Control Event”** means (a) the direct or indirect sale or other disposal, in one or a series of related transactions, of all or substantially all of the properties or assets of the Obligors taken as a whole to any Person other than the Issuer or a Restricted Subsidiary and (b) the occurrence of an event or series of events whereby one or more Persons, not being a Current Shareholder or a Group Company, acting together, acquire control over the Issuer and where **“control”** means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the shares or voting rights in the Issuer or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, the Issuer or any of the Guarantors that such Current Shareholder has to appoint directors of the Issuer, the Issuer or any of the Guarantors shall be disregarded).

**“Clearing System”** has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

**“Code”** has the meaning set forth in Condition 8.1 (*Withholding Tax*).

**“Companies Law”** has the meaning set forth in Condition 16.1 (*General*).

**“Compliance Certificate”** means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, (b) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of the Interest Coverage Ratio and, if applicable, the Capitalization Ratio and (c) if provided in connection with testing of the financial covenants that the financial covenants set out in Condition 12.1 (*Financial Conditions*) are met.

**“Consolidated Net Worth”** means, for the Issuer at any time, the sum of paid in capital, retained earnings, reserves and subordinated debt of the Group as set forth on the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report prepared in accordance with the Accounting Principles, less (without duplication) amounts attributable to Disqualified Stock of the Issuer.

**“Consolidated Total Assets”** means the total assets of the Issuer and the Restricted Subsidiaries as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report, calculated on a consolidated basis in accordance with the Accounting Principles.

**“Corresponding Debt”** has the meaning set forth in Condition 10.4 (*Parallel Debt*).

**“CSD”** means the Issuer’s central securities depository in respect of the Bonds from time to time; initially Clearstream Banking S.A., Luxembourg.

**“Current Shareholders”** means the direct and indirect shareholders and beneficial owners of the Issuer as of the Issue Date and their Affiliates.

**“Due Date”** has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

**“Derivative Transaction”** has the meaning set forth in item (e) of the definition “Permitted Debt” below.

**“Disqualified Stock”** means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is ninety-one (91) days after the date on which the Bonds mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the restrictions set out in Condition 11.2 (*Distributions*). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of these Terms and Conditions will be the maximum amount that the Issuer and the Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

**“EBITDA”** means, in respect of the Relevant Period, the consolidated net profit of the Group from ordinary activities according to the latest Financial Report:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;

- (b) before deducting any Net Finance Charges;
- (c) before taking into account any exceptional items which are not in line with the ordinary course of business;
- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealized gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) before taking into account any gains or losses on any foreign exchange gains or losses;
- (h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (j) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; and
- (k) after adding back any amount attributable to the amortization, depreciation or depletion of assets of Group Companies.

**"Economic Sanctions Law"** means any economic or financial sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other authority, department or agency of the U.S. government, the United Nations, the European Union or any member state thereof.

**"Equity Cure"** has the meaning set forth in Condition 12.3 (*Covenant Cure*).

**"Equity Interest"** means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

**"Equity Listing Event"** means an initial public offering of Capital Stock in the Issuer or a Restricted Subsidiary, or any direct or indirect parent company of the Issuer (the **"Listed Entity"**), from time to time, resulting in that such shares are quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a recognized unregulated marketplace.

**"Equity Listing Market Capitalization"** means an amount equal to (x) the total number of issued and outstanding shares of common stock or common equity interests of the Listed Entity at the time of closing of the Equity Listing Event multiplied by (y) the price per share at which such shares of common stock or common equity interests are sold in such Equity Listing Event.

“**EUR**” means the currency used by the institutions of the European Union and is the official currency of the Eurozone.

“**Event of Default**” means an event, circumstance or situation specified in Condition 13.1.

“**Existing LV Bonds**” means the EUR 20 million 10% senior unsecured notes due 31 March 2021, ISIN LV0000801363 and the EUR 10 million 10% senior unsecured notes due 31 March 2021 ISIN LV0000880029 issued by AS “mogo” (Latvia) pursuant to a Latvian prospectus approved by the Financial and Capital Markets Commission and listed in the NR Baltic Bond List.

“**Existing Debt**” means all Financial Indebtedness of the Issuer and the Restricted Subsidiaries in existence on the Issue Date, including without limitation Financial Indebtedness provided under the Existing LV Bonds, the Existing Bonds and the guarantees provided by the Guarantors in relation to the Existing Bonds.

“**Existing Bonds Issue Date**” means 11 July 2018.

“**Existing Security**” means all Security provided by the Issuer and the Restricted Subsidiaries in existence on the Settlement Date. For the sake of clarity, any Security to be released on or about the Settlement Date shall not be deemed an “Existing Security”.

“**Extraordinary Resolution**” has the meaning set forth in Condition 16.3 (*Quorum and majority*).

“**FATCA**” has the meaning set forth in Condition 8.1 (*Withholding Tax*).

“**Finance Charges**” means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalized by any Group Company according to the latest Financial Report (calculated on a consolidated basis) without taking into account any (a) Transaction Costs, (b) unrealized gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis, (c) losses arising on foreign currency revaluations of intercompany balances or (d) charges on pension balances.

“**Finance Documents**” means:

- (a) these Terms and Conditions;
- (b) the Guarantees;
- (c) the Transaction Security Documents;
- (d) the Security Agent Agreement;
- (e) the Agent Agreement; and

- (f) any other document designated by the Issuer and the Agent as a Finance Document.

**“Financial Indebtedness”** means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans, Shareholder Loans, and shareholders’ loans granted on arm lengths terms and conditions;
- (b) any Capital Lease Obligation (for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as Capital Lease Obligation);
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and treated as a borrowing under the Accounting Principles;
- (e) any Derivative Transaction (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(f).

**“Financial Report”** means the annual audited consolidated financial statements of the Issuer and the quarterly interim unaudited consolidated reports of the Issuer, which shall be prepared and made available according to Condition 11.15 (*Financial reporting and information*).

**“First Call Date”** means 11 July 2020 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“German Government Bond Rate”** means the yield to maturity at the time of computation of direct obligations of Germany, acting through the Federal German Finance Agency (Ger. *Bundesrepublik Deutschland – Finanzagentur GmbH*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation

of Sweden, acting through the Federal German Finance Agency for which a weekly average yield is given, the German Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Germany, acting through the Federal German Finance Agency, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Germany, acting through the Federal German Finance Agency, adjusted to a constant maturity of one year shall be used.

**“Global Bond”** has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

**“Governmental Authority”** means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

**“Group”** means the Issuer and all its Subsidiaries from time to time. **“Group Company”** means the Issuer or any of its Subsidiaries.

**“Guaranteed Obligations”** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Secured Creditors (or any of them) under each Finance Document, together with all costs, charges and expenses incurred by any Secured Creditor in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing such liabilities.

**“Guarantee”** has the meaning set forth in Condition 4 (*Guarantee*).

**“Guarantors”** means (1) AS “mogo” (Latvia), (2) mogo OÜ (Estonia); (3) UAB “mogo LT” (Lithuania), (4) Mogo LLC (Georgia), (5) Mogo sp. z o.o. (Poland), (6) Mogo IFN SA (Romania), (7) Mogo Bulgaria OOD (Bulgaria), (8) O.C.N. “MOGO LOANS” SRL (Moldova), (9) Mogo Albania SH.A. (Albania), (10) ООО “Мого Кредит” (“**ООО “Mogo Credit”**”) (Belarus), (11) AS Mogo Eastern Europe (Latvia) (previously “SIA HUB 3”), (12) Risk Management Service OÜ (Estonia), (13) MOGO Universal Credit Organization LLC (Armenia), (14) ТОВ МОГО УКРАЇНА (“**MOGO UKRAINE” LLC**”) (Ukraine), (15) AS Mogo Baltics and Caucasus (Latvia) (previously “AS HUB 1”), (16) AS “HUB 2” (Latvia), (17) AS Mogo Central Asia (previously AS HUB 4) (Latvia), (18) AS Longo Group (Latvia), (19) AS Longo Latvia (Latvia), (20) UAB Longo LT (Lithuania), (21) Longo Estonia OU (Estonia), (22) Longo Netherlands B.V. (Netherlands), (23) Longo Georgia LLC (Georgia), (24) Longo LLC (Armenia), (25) Leasing Company MOGO DOOEL Skopje (North Macedonia), (26) AS Renti (Latvia), (27) UAB Mogo Eastern Europe LT (previously “UAB HUB 3 LT”) (Lithuania), (28) AS Mogo Africa (Latvia), (29) UAB MOGO AFRICA (Lithuania) (previously “UAB HUB 5 LT”), (30) Mogo Loans - SMC Limited (Uganda), (31) Mogo Kenya Limited (Kenya), (32) TOO Mogo Kazakhstan (Kazakhstan) (33) ООО Mogo Lend (Uzbekistan), (34) Longo Belgium BVBA (Belgium), (35) MAXXUS GMBH (Germany) and any Additional Guarantor.

“**Holder**” means any holder of the Bonds, including, for the avoidance of doubt, any person shown for the time being in the records of the relevant clearing systems as the holder of a particular nominal amount of Bonds, collectively “**Holder**s”.

“**Holder**s’ Meeting” means a bondholders’ meeting among the Holders held in accordance with Condition 16 (*Meeting of Holders*).

“**Incurrence Test**” is met if:

- (a) the Interest Coverage Ratio for the Relevant Period ending on the last day of the period covered by the most recent Financial Report (immediately preceding the date on which such additional Financial Indebtedness is incurred, such Disqualified Stock or such preferred stock is issued or such distribution, payment or merger is made, as the case may be) would have been at least 2.00, determined on a *pro forma* basis (including a *pro forma* application of any net proceeds therefrom), as if the additional Financial Indebtedness had been incurred, the Disqualified Stock or the preferred stock had been issued or the distribution, payment or merger had been made, as the case may be, at the beginning of such Relevant Period; and, unless otherwise stated in these Terms and Conditions,
- (b) the Capitalization Ratio of the Issuer on a consolidated basis is at least 20.00 per cent, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), at the time of and immediately after giving *pro forma* effect to such incurrence;

provided that the figures for calculating the Interest Coverage Ratio (including the figures for EBITDA, Finance Charges and Net Finance Charges) *pro forma* in accordance with the above shall (as applicable) be adjusted so that:

- (i) any Financial Indebtedness that has been repaid, repurchased and cancelled by any Group Company during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Relevant Period;
- (ii) any Financial Indebtedness that is to be refinanced in connection with the incurrence of such additional Financial Indebtedness shall be excluded, *pro forma*, for the entire Relevant Period;
- (iii) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
- (iv) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

**“Initial Nominal Amount”** has the meaning set forth in Condition 2.1 (*Nominal Amount, Currency and Denomination*).

**“Insolvency Proceedings”** means, with respect to any person, the winding-up, liquidation, dissolution, bankruptcy, receivership, insolvency or administration of such person or any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated (or, if not a company or corporation, domiciled) or of any jurisdiction in which such person carries on business or has any assets including the seeking of an arrangement, adjustment, protection or relief of creditors.

**“Interest”** means the interest on the Bonds calculated in accordance with Conditions 5.1 (*Interest Rate and Interest Payment Dates*) to 5.3 (*Day Count Fraction*).

**“Interest Coverage Ratio”** means the ratio of EBITDA to Net Finance Charges.

**“Interest Payment Date”** means 10 January and 10 July of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date of the Bonds being 10 January 2019 and the last Interest Payment Date being the Final Redemption Date).

**“Interest Period”** means, with respect to the Existing Bonds, each period beginning on (and including) the Existing Bonds Issue Date or any Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of the New Bonds or any bonds subsequently issued, each period beginning on (and including) the latest of (i) the Interest Payment Date falling immediately prior to its issuance and (ii) the Existing Bonds Issue Date, and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant), in no case adjusted due to an application of the Business Day Convention.

**“Interest Rate”** means a fixed interest rate of 9.50 per cent per annum.

**“Issue Date”** means 13 November 2019.

**“Issuer”** means 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.

**“Listed Entity”** has the meaning set forth in the definition “Equity Listing Event” above.

**“Luxembourg”** means the Grand Duchy of Luxembourg and, when used in a geographical sense, means the territory of the Grand Duchy of Luxembourg.

**“Luxembourg Insolvency Event”** means in relation to any company incorporated, domiciled or resident in Luxembourg, such person in Luxembourg:



- (a) enters into a voluntary arrangement with its creditors (*concordat préventif de la faillite*) pursuant to the law of 14 April 1886 on arrangements to prevent insolvency, as amended; or
- (b) is granted a suspension of payments within the meaning of Articles 593 et seq. of the Luxembourg Commercial Code; or
- (c) is subject to controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation 24 May 1935 on controlled management; or
- (d) is itself or any of its assets the subject of any Insolvency Proceedings commenced pursuant to Articles 437 et seq. of the Luxembourg Commercial Code or any other Insolvency Proceedings 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, unless the application for such proceedings is dismissed within thirty (30) days from and excluding the day it is filed (unless dismissed on the ground that the costs of the Insolvency Proceedings were likely to exceed the assets of such person (*clôture pour insuffisance d'actifs*)); or
- (e) takes any corporate action or is the subject of any legal proceedings commenced against it for its dissolution or liquidation; or
- (f) is in a situation of illiquidity (*cessation de paiements*), and without access to credit (*crédit ébranlé*) within the meaning of Article 437 of the Luxembourg Commercial Code.

**“Make Whole Amount”** means an amount equal to the sum of:

- (a) the present value on the relevant Record Date of 104.75, as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant Record Date of the remaining Interest payments (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including the First Call Date;

both calculated by using a discount rate of fifty (50) basis points over the comparable German Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

**“Management Repurchase”** means the repurchase, redemption or other acquisition or retirement for value of any Equity Interest of the Issuer or any Restricted Subsidiary held by any future, current or former officer, director or employee of the Issuer or any Restricted Subsidiary (or any permitted transferee of such current or former officers, directors or employees) pursuant to any equity subscription agreement, stock option agreement, share purchase agreement, shareholders’ agreement or similar agreement; provided that the aggregate price paid for all such repurchased redeemed, acquired or retired Equity Interest may not exceed EUR 1,000,000 in any fiscal year or EUR 2,000,000 in the aggregate; provided, further, that such amount in any fiscal year may be increased by (x) the cash proceeds of any key-man life insurance policies received by the Issuer and the Restricted

Subsidiaries and (y) an amount not to exceed the cash proceeds from the sale of Equity Interests of the Issuer to members of management or directors of the Issuer, any of the Restricted Subsidiaries or any of its direct or indirect parent companies to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments.

**“Market Capitalization”** means an amount equal to the total number of issued and outstanding shares of common stock or common equity interests of the Listed Entity on the date of the declaration of the contemplated Permitted Payment multiplied by the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive Business Days immediately preceding the date of declaration of such contemplated Permitted Payment.

**“Market Loan”** means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market or unregulated recognized market place.

**“Material Adverse Effect”** means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Obligors’ ability to perform and comply with their payment and other undertakings under the Finance Documents or (c) the validity or enforceability of the Finance Documents.

**“Material Group Company”** means each Group Company holding a Net Loan Portfolio of at least EUR 7,500,000.

**“Maturity Date”** means 10 July 2022.

**“Net Finance Charges”** means, for the Relevant Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for the relevant period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group (and excluding any (a) payment-in-kind interest capitalized on Shareholder Loans, (b) gains arising on foreign currency revaluations of intercompany balances or (c) income on pension balances).

**“Net Loan Portfolio”** means, as of any date of determination, the sum of loans, securities, investments, receivables and reserves minus allowances for loss of the Group as set forth on the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report, prepared in accordance with the Accounting Principles.

**“Net Proceeds”** means the proceeds from the Bond Issue, after deduction has been made for the transaction costs payable by the Issuer to the Lead Manager for the services provided in relation to the placement and issuance of the Bonds.

**“New Shareholder Injections”** means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Issuer or for subordinated loan notes or other subordinated debt instruments in the Issuer on terms acceptable to the Agent.

**“Nominal Amount”** means the Initial Nominal Amount, or, if the principal amount of the Bonds have been partially repaid, the reduced nominal amount of the Bonds.

**“Obligors”** means the Issuer and the Guarantors.

**“Ordinary Resolution”** has the meaning set forth in Condition 16.3 (*Quorum and majority*).

**“Payment Day”** has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

**“Parallel Debt”** has the meaning set forth in Condition 10.4(a) (*Parallel Debt*).

**“Paying Agent”** has the meaning set forth in Condition 14.1 (*Paying Agent*).

**“Permitted Basket”** has the meaning set forth in item (m) of the definition “Permitted Debt” below.

**“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 and its Restricted Subsidiaries are engaged on the Existing Bonds Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities.

**“Permitted Debt”** means any Financial Indebtedness:

- (a) incurred by the Issuer or any of the Restricted Subsidiaries under the Finance Documents (including pursuant to any Subsequent Bond issue, up to a consolidated aggregate principal amount of EUR 100,000,000 in case debt incurred in relation to marketplace lending platforms and/or peer-to-peer platforms shall be refinanced);
- (b) incurred by the Issuer or any of the Restricted Subsidiaries under any Existing Debt;
- (c) the incurrence by the Issuer or any of the Restricted Subsidiaries of Financial Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other financings, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of design, development, construction, lease, installation or improvement of property, plant or equipment used in the business of the Issuer or any of the Restricted Subsidiaries and including any reasonable related fees or expenses incurred in connection with such acquisition or development, in an aggregate principal amount not to exceed the greater of (i) EUR 2,500,000 and (ii) 2.00 per cent. of Consolidated Total Assets at any time outstanding;

- (d) incurred by the Issuer or any of the Restricted Subsidiaries as intercompany Financial Indebtedness provided by the Issuer or a Restricted Subsidiary, provided, however, that: (i) if (A) the Issuer or any Guarantor is the obligor of any such Financial Indebtedness and (B) the payee is not the Issuer or a Guarantor, then such Financial Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due under the Finance Documents; and (ii) (A) any subsequent issuance or transfer of Equity Interests that results in any Financial Indebtedness incurred under this Condition being held by a Person other than the Issuer or a Restricted Subsidiary; and (B) any sale or other transfer of any Financial Indebtedness incurred under this Condition to a Person that is not either the Issuer or a Restricted Subsidiary will be deemed, in each case, to constitute an incurrence of such Financial Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this Condition;
- (e) arising under a derivative transaction entered into by the Issuer or a Restricted Subsidiary in connection with protection against or benefit from fluctuation in any rate or price (“**Derivative Transaction**”) where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes);
- (f) the guarantee by the Issuer or any Guarantor of Financial Indebtedness of the Issuer or a Guarantor, to the extent that the guaranteed Financial Indebtedness was permitted to be incurred by another provision of these Terms and Conditions; provided that, if the Financial Indebtedness being guaranteed is subordinated to or *pari passu* with the Bonds, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Financial Indebtedness guaranteed;
- (g) incurred by the Issuer or any of the Restricted Subsidiaries as a result from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Financial Indebtedness is covered within five (5) Business Days;
- (h) incurred as a result of the Issuer or a Guarantor acquiring or merging with another entity and which is due to the fact that such entity holds Financial Indebtedness, provided that: either (i) the Issuer would be permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis including the acquired or merged entity, as the case may be, as if acquired or merged, as the case may be, at the beginning of the relevant Period ending on the last day of the period covered by the most recent Financial Report); or (ii) each of the Interest Coverage Ratio and the Capitalization Ratio of the Issuer and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such acquisition or merger (in each case calculated on a *pro forma* basis including the acquired or merged entity, as the case may be);

- (i) incurred by the Issuer under a Shareholder Loan;
- (j) incurred by the Issuer or any of the Restricted Subsidiaries in the ordinary course of business under the Advance Purchase Agreements, under any pension and tax liabilities and related to any agreements under which the Issuer or a Restricted Subsidiary leases office space or other premises;
- (k) Financial Indebtedness owed on a short-term basis of no longer than thirty (30) Business Days to banks and other financial institutions incurred in the ordinary course of business of the Issuer or the Guarantors with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer or the Guarantors, in an aggregate principal amount not to exceed EUR 1,000,000;
- (l) incurred by a Guarantor as a loan and/or a buyback guarantee granted in the context of the sale, lease, license, assignment, transfer, disposal, encumbrance or pledge to marketplace lending platforms and/or peer-to-peer platforms of loans, receivables and claims owned by such Guarantor up to an aggregate principal amount of EUR 75,000,000, (i) provided that such sale, lease, license, assignment, transfer, disposal, encumbrance or pledge is limited to 60 per cent of the Net Loan Portfolio of such Guarantor and (ii) the interest payable for each loan disposed or encumbered to the relevant market lending platform and/or peer-to-peer platform shall not exceed a rate of 16 per cent. per year provided the loans are denominated in EUR; and
- (m) Financial Indebtedness incurred by a Guarantor in an aggregate principal amount (or accreted value, as applicable) which, when taken together with the principal amount of any other Financial Indebtedness incurred under this item (m) and outstanding will not exceed 10 per cent. of the Net Loan Portfolio of such Guarantor (all such Financial Indebtedness is together referred to as the **“Permitted Basket”**).

**“Permitted Loans”** means:

- (a) any loan granted by the Issuer or any of the Restricted Subsidiaries as intercompany Financial Indebtedness to the Issuer or a Restricted Subsidiary;
- (b) any guarantee of Financial Indebtedness permitted to be incurred under Condition 11.4 (*Financial Indebtedness and Disqualified Stock*) and the definition “Permitted Debt” above;
- (c) any loan arising under a Derivative Transaction;
- (d) any loan existing on the Issue Date; provided that the amount of any such loan may be increased (i) as required by the terms of such loan (as in existence on the Issue Date) and (ii) as otherwise permitted under these Terms and Conditions;
- (e) any loan acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary or another Person (including

by way of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary) in a transaction that is permitted under these Terms and Conditions;

- (f) any loan granted in the ordinary course of business (including lease, leaseback, consumer loans or participations therein arising in the ordinary course of business);
- (g) loans or advances to employees made in the ordinary course of business of the Issuer or any Guarantor in an aggregate principal amount not to exceed EUR 2,000,000 at any time outstanding; and
- (h) loans, advances or guarantees to directors, officers and employers of the Issuer or any Guarantor to cover, travel, entertainment or moving-related expenses enacted in the ordinary course of business.

**“Permitted Payments”** means:

- (a) any Management Repurchase;
- (b) so long as no Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with these Terms and Conditions; and
- (c) so long as no Event of Default has occurred and is continuing (or would result therefrom), any declaration of payment by the Issuer or a Restricted Subsidiary of dividends or distributions to an employee of a Group Company in the context of employee incentive schemes, in an amount not to exceed EUR 500,000 per financial year.

**“Permitted Security”** means any Security:

- (a) provided in accordance with the Finance Documents;
- (b) which is an Existing Security;
- (c) provided in relation to any agreement under which the Issuer or a Restricted Subsidiary leases office space or other premises provided such lease constitutes Permitted Debt;
- (d) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (e) provided in relation to a Derivative Transaction;
- (f) incurred as a result of the Issuer or a Restricted Subsidiary acquiring another entity and which is due to that such acquired entity has provided security, provided that the debt secured with such security

constitutes Permitted Debt in accordance with item (h) of the definition “Permitted Debt” above;

- (g) provided to secure Financial Indebtedness permitted by item (c) of the definition “Permitted Debt” above, covering only the assets acquired with or financed by such Financial Indebtedness;
- (h) provided to secure Financial Indebtedness permitted by item (l) of the definition “Permitted Debt” above;
- (i) over assets or property of a Restricted Subsidiary that is not a Guarantor securing Financial Indebtedness of any Restricted Subsidiary that is not a Guarantor;
- (j) over assets or property of the Issuer or any Restricted Subsidiary securing Financial Indebtedness or other obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Security in favor of the Issuer or any Restricted Subsidiary; and
- (k) provided in relation to the Permitted Basket.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Pledgors**” means the Issuer, AS “mogo” (*Latvia*), mogo OÜ (*Estonia*), UAB “mogo LT” (*Lithuania*), Mogo LLC (*Georgia*), Mogo IFN SA (*Romania*), Mogo Bulgaria OOD (*Bulgaria*), O.C.N. “MOGO LOANS” SRL (*Moldova*), MOGO Universal Credit Organization LLC (*Armenia*), OOO “Mogo Credit” (*Belarus*) and any Additional Pledgor.

“**Pledgors Accounts**” means primary bank accounts of the relevant Pledgors to be pledged in favour of the Security Agent acting for the Holders under the Account Pledge Agreements in accordance with Condition 11.11 (*Additional Transaction Securities*).

“**Put Option Trigger Event**” means any of the following events, circumstance or situation:

- (a) a Change of Control Event;
- (b) any requirement of Condition 12.1 (*Financial Conditions*) is not satisfied (unless remedied in accordance with the provisions of Condition 12.3 (*Covenant Cure*));
- (c) any ultimate beneficial owner of the Issuer is or becomes a Sanctioned Person;
- (d) buyback guarantees permitted by item (l) of the definition “Permitted Debt” above are triggered within one quarter in excess of 7.5 per cent. of all outstanding loans, receivables and claims disposed or pledged in

accordance with item (l) of the definition “Permitted Debt” above provided that the buyback obligations within such quarter will exceed an amount of EUR 1,000,000; and

- (e) more than 25 per cent. of the Group’s Net Loan Portfolio is originated by companies having their registered office in a country other than Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kazakhstan, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, North Macedonia (FYROM), Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom (UK), Vatican City (Holy See).

“**Record Date**” means the Business Day prior to (a) an Interest Payment Date, (b) a Redemption Date, (c) a date on which a payment to the Holders is to be made, (d) the date of a Holders’ Meeting or (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the German bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Condition 6 (*Maturity, Redemption, Early Redemption, Repurchase*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (recast)).

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Restricted Payment**” has the meaning set forth in Condition 11.2 (*Distributions*).

“**Relevant Taxing Jurisdiction**” means (a) Latvia, Luxembourg or any political subdivision or Governmental Authority thereof or therein having power to tax, (b) any jurisdiction from or through which payment on any Bond or Guarantee is made by the Issuer, any Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (c) any other jurisdiction in which the Issuer or Guarantors are incorporated or organized, resident for tax purposes.

“**Restricted Subsidiaries**” means any Subsidiary of the Issuer, including the Guarantors and entities established or licensed as of the Existing Bonds Issue Date and which are meant to be vertically integrated pursuant to Condition 11.13 (*Companies operating under the Group brands*), that is not an Unrestricted Subsidiary.

“**Sanctioned Person**” means any person, organization or vessel:

- (a) designated on the OFAC list of Specially Designated Nationals and Blocked Persons or on the Consolidated List of Persons, Groups and



Entities Subject to EU Financial Sanctions, or on the Consolidated List of Financial Sanctions Targets maintained by the UK Treasury, or on any list of blocked persons issued under the Economic Sanctions Law of any other country;

- (b) that is, or is part of, a government of a Sanctioned Territory;
- (c) owned or controlled by, or acting on behalf of, any of the foregoing; or
- (d) located within or operating from a Sanctioned Territory,

except that “Sanctioned Person” does not include a person listed on the US Sectoral Sanctions Identifications List or Annex III of Regulation (EU) No 833/2014 of 31 July 2014, or any successor thereto.

“**Sanctioned Territory**” means any country or other territory subject to a general export, import, financial or investment embargo under Economic Sanctions Law.

“**Secured Creditors**” means the Holders.

“**Secured Obligations**” subject to any limitation under the relevant Transaction Security Documents, means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligors towards the Secured Creditors under or in connection with these Terms and Conditions and the other Finance Documents.

“**Security**” has the meaning set forth in Condition 11.5 (*Negative pledge*).

“**Security Agent**” means, initially Greenmarck Restructuring Solutions GmbH, established in 2010 and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany, or subsequently any other security agent, appointed by the Secured Creditors from time to time pursuant, to the Security Agent Agreement, holding the Transaction Securities on behalf of the Secured Creditors.

“**Security Agent Agreement**” means the security agent agreement entered into on or about the Existing Bonds Issue Date between the Issuer and the Security Agent, or any replacement security agent agreement entered into after the Existing Bonds Issue Date between the Issuer and the Security Agent.

“**Settlement Date**” means on or about 13 November 2019.

“**Shareholder Loan**” means any loan raised by the Issuer from its current or previous direct or indirect shareholder, if such shareholder loan (a) according to its terms, is subordinated to the obligations of the Obligors under the Finance Documents, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Maturity Date and according to its terms yield only payment-in-kind interest or where payment of principal and interest can only be made under Condition 11.2 (*Distributions*).

**“Subsequent Bond”** means any issue of Bonds in accordance with Condition 15 (*Further Issues*).

**“Subsidiary”** means, in relation to any person, any legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners or (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

**“Taxes”** means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including, without limitation, interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

**“Third Party”** means any Person other than the Issuer or the Restricted Subsidiaries.

**“Transaction Costs”** means all fees, costs and expenses incurred by a Group Company in connection with (a) the Bond Issue or a Subsequent Bond issue and (b) the listing of the Bonds on the Frankfurt Stock Exchange.

**“Transaction Security Documents”** means each security agreement, entered into or to be entered into between the Pledgors and the Security Agent (on behalf of the Secured Creditors), purporting to create a Security in favor of the Secured Creditors, in particular:

- (a) Latvian law governed security documents (the **“Latvian Transaction Security Documents”**), including:
  - (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) Estonian law governed security documents (the **“Estonian Transaction Security Documents”**), including:
  - (i) an Estonian law governed commercial pledge agreement creating a first ranking commercial pledge over all the movable assets of mogo OÜ (Estonia) (the **“Estonian General Pledge Agreement”**);
  - (ii) an Estonian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly

- held by the Issuer in mogo OÜ (Estonia) (the “**Estonian Share Pledge Agreement**”);
- (iii) an Estonian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by mogo OÜ (Estonia) (the “**Estonian Receivables Pledge Agreement**”);
  - (iv) an Estonian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by mogo OÜ (Estonia) and registered in Estonia (the “**Estonian Trademark Pledge Agreement**”);
  - (v) an Estonian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by mogo OÜ (Estonia) (the “**Estonian Account Pledge Agreement**”);
- (c) Lithuanian law governed security documents (the “**Lithuanian Transaction Security Documents**”), including:
- (i) a Lithuanian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of UAB “mogo LT” (Lithuania) (the “**Lithuanian General Pledge Agreement**”);
  - (ii) a Lithuanian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in UAB “mogo LT” (Lithuania) (the “**Lithuanian Share Pledge Agreement**”);
  - (iii) a Lithuanian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by UAB “mogo LT” (Lithuania) (the “**Lithuanian Receivables Pledge Agreement**”);
  - (iv) a Lithuanian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by UAB “mogo LT” (Lithuania) and registered in Lithuania (the “**Lithuanian Trademark Pledge Agreement**”);
  - (v) a Lithuanian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by UAB “mogo LT” (Lithuania) (the “**Lithuanian Account Pledge Agreement**”);
- (d) Georgian law governed security documents (the “**Georgian Transaction Security Documents**”), including:
- (i) a Georgian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of Mogo LLC (Georgia) (the “**Georgian General Pledge Agreement**”);

- (ii) a Georgian law governed share pledge agreement creating a first ranking pledge over all the ownership interests directly and indirectly held by the Issuer in Mogo LLC (Georgia) (the “**Georgian Share Pledge Agreement**”);
  - (iii) a Georgian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by Mogo LLC (Georgia) (the “**Georgian Receivables Pledge Agreement**”);
  - (iv) a Georgian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by Mogo LLC (Georgia) and registered in Georgia (the “**Georgian Trademark Pledge Agreement**”);
  - (v) a Georgian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by Mogo LLC (Georgia) (the “**Georgian Account Pledge Agreement**”).
- (e) Armenian law governed security documents (the “**Armenian Transaction Security Documents**”), including:
- (i) an Armenian law governed general pledge agreement creating a first ranking general pledge over all the present and future movable assets of MOGO Universal Credit Organization LLC (Armenia), other than loan receivables (the “**Armenian General Pledge Agreement**”);
  - (ii) an Armenian law governed intangible assets pledge agreement creating a first ranking general pledge over all the present and future loan receivables granted by MOGO Universal Credit Organization LLC (Armenia), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions (the “**Armenian Intangible Assets Pledge Agreement**”);
  - (iii) an Armenian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in MOGO Universal Credit Organization LLC (Armenia) (the “**Armenian Share Pledge Agreement**”);
- (f) Bulgarian law governed security documents (the “**Bulgarian Transaction Security Documents**”), including:
- (i) a Bulgarian law governed pledge agreement creating a first ranking pledge over the changing pools of all movable assets and receivables of Mogo Bulgaria OOD (Bulgaria) existing from time to time including (i) present and future loan receivables granted by Mogo Bulgaria OOD (Bulgaria), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (ii) primary bank accounts owned by Mogo Bulgaria OOD (Bulgaria) (the “**Bulgarian General Pledge Agreement**”);

- (ii) Bulgarian law governed share pledge agreements creating first ranking pledges over all the shares directly and indirectly held by the Issuer in Mogo Bulgaria OOD (Bulgaria) (the “**Bulgarian Share Pledge Agreements**”);
- (g) Romanian law governed security documents (the “**Romanian Transaction Security Documents**”), including:
  - (i) a Romanian law governed movable hypothec agreement over certain movable assets creating a first ranking general pledge over all present and future movable assets of Mogo IFN SA (Romania) including (i) any and all present and future primary bank accounts and cash held therein, (ii) present and future loan receivables granted by Mogo IFN SA (Romania), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (iii) any and all current and future intellectual property held by Mogo IFN SA (Romania) (the “**Romanian General Pledge Agreement**”);
  - (ii) a Romanian law governed movable hypothec agreement over shares creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in Mogo IFN SA (Romania) (the “**Romanian Share Pledge Agreement**”).
- (h) Moldovan law governed security documents (the “**Moldovan Transaction Security Documents**”), including:
  - (i) a Moldovan law governed general pledge agreement creating a first ranking general pledge over all present and future claims of O.C.N. “MOGO LOANS” SRL (Moldova) including (i) present and future loan receivables granted by O.C.N. “MOGO LOANS” SRL (Moldova), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (ii) primary bank accounts owned by O.C.N. “MOGO LOANS” SRL (Moldova) (the “**Moldovan General Pledge Agreement**”);
  - (ii) a Moldovan law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in O.C.N. “MOGO LOANS” SRL (Moldova) (the “**Moldovan Share Pledge Agreement**”);
- (i) Belarus law governed security documents (the “**Belarus Transaction Security Documents**”), including:
  - (i) a Belarus law governed general pledge agreement creating a first ranking general pledge over present and future movable assets of OOO “Mogo Credit” (Belarus), other than loan receivables (the “**Belarus General Pledge Agreement**”);
  - (ii) a Belarus law governed receivables pledge agreement creating a first ranking general pledge over all the present and future loan receivables granted by OOO “Mogo Credit” (Belarus), except for the loan receivables that may be transferred or

pledged in accordance with the Terms and Conditions (the “**Belarus Receivables Assets Pledge Agreement**”);

- (iii) Belarus law governed share pledge agreement creating first ranking pledge over all the shares directly and indirectly held by the Issuer in OOO “Mogo Credit” (Belarus) (the “**Belarus Share Pledge Agreement**”);
- (j) Luxembourg law governed receivables pledge agreement creating a first ranking pledge over loan receivables with respect to certain loans made by the Issuer in accordance with Condition 11.6 (*Loans out*) (the “**Luxembourg Receivables Pledge Agreement**”).

“**Transaction Securities**” means the Securities granted to secure the Secured Obligations pursuant to the Transaction Security Documents.

“**Unrestricted Subsidiary**” means any Subsidiary of the Issuer other than the Guarantors that is designated by the board of directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the board of directors, but only to the extent that such Subsidiary:

- (a) has no Financial Indebtedness other than Financial Indebtedness (i) as to which neither the Issuer nor any of the Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Financial Indebtedness) or (B) is directly or indirectly liable as a guarantor or otherwise and (ii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Issuer or any of the Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary); except to the extent that the Issuer or the relevant Restricted Subsidiary would be permitted to provide credit support, or be directly or indirectly liable as a guarantor or otherwise, pursuant to Condition 11.4 (*Financial Indebtedness and Disqualified Stock*);
- (b) except as permitted under these Terms and Conditions, is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;
- (c) is a Person with respect to which neither the Issuer nor any of the Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe or additional Equity Interests or (ii) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and
- (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Financial Indebtedness of the Issuer or any of the Restricted Subsidiaries.

**“Vote without Meeting”** has the meaning set forth in Condition 16.13 (*Resolution in writing*).

## 1.2 Construction

(a) Unless a contrary indication appears, any reference in these Terms and Conditions to:

- **“assets”** includes present and future properties, revenues and rights of every description;
- any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- a **“regulation”** includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- an Event of Default is continuing if it has not been remedied or waived;
- an **“enforcement”** of a Guarantee means making a demand for payment under a Guarantee;
- a provision of law is a reference to that provision as amended or re-enacted; and
- a time of day is a reference to Frankfurt/Main time.

(b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the German Central Bank (Ger: Deutsche Bundesbank) on its website ([www.bundesbank.de](http://www.bundesbank.de)). If no such rate is available, the most recently published rate shall be used instead.

(c) No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## 2. NOMINAL AMOUNT, FORM, GLOBAL BOND, TITLE

### 2.1 Nominal Amount, Currency and Denomination

This issue of the Issuer, in the aggregate amount of EUR 100,000,000.00 (in words: one hundred million Euros (the **“Issuer Currency”**)) is divided into EUR 25,000,000.00 (in words: twenty-five million Euros) bonds (the **“New Bonds”**), to be consolidated and form a single series with the existing EUR 75,000,000.00 (in words: seventy-five million Euros) 9.50 % Senior Secured Bonds 2018/2022 with a term from 11 July 2018 until 10 July 2022 (the **“Existing Bonds”** and, together with the New Bonds, the **“Bonds”**),

payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 1,000.00 (the “**Initial Nominal Amount**”) each.

## 2.2 Form

The Bonds are being issued in bearer form.

## 2.3 Global Bond and Custody

The Bonds will be represented by a global bond (the “**Global Bond**”) deposited with, or on behalf of, a common depository for the accounts of Clearstream Banking S.A., Luxembourg (“**Clearstream, Luxembourg**”), and Euroclear Bank S.A./N.V., Brussels (“**Euroclear**”), as operator of the Euroclear system. The Global Bond will be deposited with Clearstream, Luxembourg, business address 42, Av. J.F. Kennedy, L-1855 Luxembourg, together with any successor in such capacity (the “**Clearing System**”) until all obligations of the Issuer under the Bonds have been satisfied.

The Global Bond will only be exchangeable for definitive Bonds if either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so (other than in the case of a merger or consolidation of Clearstream, Luxembourg and Euroclear).

## 2.4 Transfer and Title

A transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon payment by the relevant Holder of any tax or other governmental charges which may be imposed in relation to it. For the avoidance of doubt, any depository bank used by a Holder for the safe custody of the Bonds (including without limitation the Clearing System) may charge fees for a transfer of the Bonds.

## 3. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with all general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among themselves and at least *pari passu* with any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer’s obligations under the Bonds, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Bonds, save for certain mandatory exceptions provided by statutory law.

## 4. GUARANTEE

### 4.1 Guarantee

The Guarantors 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 Status of the Guarantee

The Guarantee will rank *pari passu* with all of the Guarantors' 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 relevant Guarantor's jurisdiction.

#### 4.3 Limitations by statutory law

The obligations and liabilities of and the guarantee issued by each Guarantor under the Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the respective jurisdiction in which each of the Guarantors are incorporated.

#### 4.4 In accordance with the Guarantee, and in addition to the payment guarantees described in Condition 4.1:

(a) the Issuer shall procure that, to the extent applicable to the Group Companies not being Guarantors, each of such Group Company complies with Conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Securities*), 11.12 (*Dealings with related parties*), 11.13 (*Companies operating under the Group brands*), 11.14 (*Compliance with law*) and 11.15 (*Financial reporting and information*); and

(b) the Guarantors shall undertake to comply with Conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Securities*), 11.12 (*Dealings with related parties*), 11.13 (*Companies operating under the Group brands*), 11.14 (*Compliance with law*) and 11.15 (*Financial reporting and information*).

#### 4.5 Pursuant to the Guarantee the Issuer shall procure that the Guarantees and all documents relating thereto are duly executed by the relevant 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 Guarantors as the Agent may reasonably require in order for the Holders to at all times maintain the guarantee position envisaged under these Terms and Conditions and the Guarantees.

#### 4.6 If a Holders' Meeting (Condition 16.2) has been convened, or a Vote without Meeting (Condition 16.13) instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the Guarantees, the Agent is obligated, to take actions in accordance with the Holders' decision regarding the Guarantees. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Agent shall not enforce any of the Guarantees. If the Holders, without any prior initiative from the Agent or

the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the Guarantees in accordance with the procedures set out in Conditions 16.2 (Convening of physical meeting) and 16.13 (Resolution in writing), the Agent shall promptly declare the Bonds terminated and enforce the Guarantees. The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.

- 4.7 For the purpose of exercising the rights of the Holders and the Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any Guarantees, the Issuer irrevocably authorizes and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders and, for the same purpose, grant the Agent with the widest power to perform any action, enter into any agreement and execute any document. To the extent permissible by law, the powers set out in this Condition 4.7 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall, and shall procure that the Guarantors, immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), which the Agent deems necessary for the purpose of carrying out its duties.
- 4.8 The Agent shall, upon the Issuer's written request and expense, promptly release a Guarantor from its obligations under a Guarantee:
- (a) in connection with (i) any sale or other disposal of Equity Interests whether by direct sale or sale of a holding company of that Guarantor or by way of merger, consolidation or otherwise or (ii) any sale or other disposal of all or substantially all of the assets of that Guarantor; to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, provided however, that such sale or other disposal does not violate Condition 11.7 (*Disposals of assets*) or Condition 11.8 (*Mergers*);
  - (b) Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition; and
  - (c) when all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full.

## 5. INTEREST

### 5.1 Interest Rate and Interest Payment Dates

The Bonds shall bear interest at the Interest Rate per annum on their Nominal Amount from 11 July 2018 and, with respect to the New Bonds, 10 July 2019 (each, the "**Interest Commencement Date**"). Interest shall be payable semi-annually in arrears on each Interest Payment Date, commencing on the Interest Commencement Date. Interest shall cease to accrue with the expiration of the day preceding the day of repayment.

### 5.2 Default Interest

If the Issuer fails to redeem the Bonds on the day on which they become due for redemption within five Business Days, default interest shall accrue on the overdue amount from, but excluding the due date up to and including the date of actual payment at a rate, which is 2 per cent. higher than the Interest Rate.

### 5.3 Day Count Fraction

Where interest is to be calculated in respect of a period which is shorter than or equal to a full Interest Period, the interest will be calculated on the basis of Rule 251 ICMA (ACT/ACT).

## 6. MATURITY, REDEMPTION, EARLY REDEMPTION, REPURCHASE

### 6.1 Redemption at maturity

The Issuer shall redeem the Bonds in full on the Maturity Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

### 6.2 The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

### 6.3 Early voluntary redemption by the Issuer (call option)

(a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Maturity Date at the applicable Call Option Amount together with accrued but unpaid Interest.

(b) Redemption in accordance with this Condition 6.3 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

### 6.4 Mandatory repurchase due to a Put Option Trigger Event (put option)

(a) Upon a Put Option Trigger Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest; during a period of thirty (30) calendar days following the earlier of (i) a notice from the Issuer of the Put Option Trigger Event pursuant to Condition 11.15 (*Financial reporting and information*) and (ii) such Holder becoming otherwise aware of the occurrence of the Put Option Trigger Event.

The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Put Option Trigger Event.

- (b) The notice from the Issuer pursuant to Condition 11.15 (*Financial reporting and information*) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Condition 11.15 (*Financial reporting and information*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Condition 6.4(a).
- (c) The Issuer shall, and shall procure that each Guarantor shall, comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Condition 6.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 6.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Condition 6.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Condition 6.2 (*The Group Companies' purchase of Bonds*).

#### 6.5 Optional redemption for taxation reasons

- (a) If the Issuer or any Guarantor determines in good faith that, as a result of a Change in Tax Law, the Issuer or any Guarantor is, or on the next Interest Payment Date would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or the relevant Guarantor, the Issuer may, in its absolute discretion, decide to redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Maturity Date. The Issuer shall give not less than twenty (20) and not more than forty (40) Business Days' notice of the redemption to the Agent and the Holders and the repayment per Bond shall be made at 100.00 per cent. of the Nominal Amount (together with accrued but unpaid Interest).
- (b) The notice from the Issuer pursuant to Condition 6.5(a) shall not be given (a) earlier than ninety (90) calendar days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to make the relevant payment of Additional Amounts if a payment in respect of the Bonds were then due and (b) unless at the time such notice is given, such obligation to pay the relevant Additional Amounts remains in effect. Prior to giving any notice of redemption pursuant to the foregoing, the Issuer shall deliver to the Agent (i) a declaration in writing stating that it is entitled to effect such redemption and setting forth a statement of facts showing that a

Change in Tax Law is at hand and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (ii) a written opinion of an independent tax counsel of recognized standing who is qualified to provide tax advice under the laws of the Relevant Taxing Jurisdiction to the effect that the Issuer or Guarantor has or have been or will become obligated to pay the relevant Additional Amounts as a result of a Change in Tax Law. The Agent shall accept such declaration and opinion as sufficient evidence that a Change in Tax Law is at hand without further inquiry, in which event it shall be conclusive and binding on the Holders.

- (c) In the case of redemption due to withholding as a result of a Change in Tax Law such Change in Tax Law must become effective on or after the Issue Date.

## 6.6 Equity claw back

Upon an Equity Listing Event, the Issuer may on one occasion repay up to 35.00 per cent. of the total Nominal Amount (provided at least 65.00 per cent. of the total Nominal Amount remains outstanding after such repayment), in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date within one hundred eighty (180) calendar days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer or the Restricted Subsidiaries as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering). The Issuer shall give not less than twenty (20) Business Days' notice of the repayment to the Agent and the Holders and the repayment per Bond shall be made at 104.75 per cent of the Nominal Amount or at the relevant Call Option Amount (both multiplied by the percentage redeemed), if such amount is lower (rounded down to the nearest EUR 1.00)

## 7. PAYMENTS

### 7.1 Currency

All payments on the Bonds shall be made by the Issuer in Euro.

### 7.2 Payments

Payments of principal, interest and all other cash payments payable on the Bonds shall be made by the Issuer on the relevant due date to the Paying Agent (Condition 14.1), for on-payment to the Clearing System for credit to the accounts of the respective accountholders in the Clearing System. All payments made to the Clearing System or to its order shall discharge the liability of the Issuer under the Bonds to the extent of the amounts so paid.

### 7.3 Payment Date/Due Date

For the purposes of these Terms and Conditions, “**payment date**” means the day on which the payment is actually to be made, and “**due date**” means the payment date provided for herein, without taking account of such adjustment.

## 8. TAXES

### 8.1 Withholding Tax

All payments under Conditions 4 (*Guarantee*), 5 (*Interest*) and 6 (*Maturity, Redemption, Early Redemption, Repurchase*) in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (i) by the relevant tax authority or any political subdivision or any authority therein that has power to tax or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA, unless that withholding or deduction is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA or any law implementing an intergovernmental approach to FATCA). In that event, the Issuer will pay such additional amounts (the “**Additional Amounts**”) as the Holders would have received if no such withholding or deduction had been required, except if such Additional Amounts:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it under the Bond; or
- (b) are payable by reason of a change in law that becomes effective more than 30 (thirty) days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with Condition 18 (Notices), whichever occurs later; or
- (c) are required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA or any law implementing an intergovernmental approach to FATCA.

### 8.2 Prepayment

If, as a result of any change in, or amendment to, the laws or regulations prevailing in the relevant tax jurisdiction, which change or amendment becomes effective on or after the Issue Date or as a result of any application or official interpretation of such laws or regulations not generally known before that date, taxes or duties are or will be leviable on payments of principal or interest under the Bonds and, by reason of the obligation to pay Additional Amounts as provided in the provision above or otherwise such taxes or duties are to be borne by the Issuer, Condition 6.5 (*Optional Redemption for Taxation Reasons*) applies.

## 9. AGENT

### 9.1 Role and Duties of the Agent

- (a) By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorizes the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings as well as certain legal acts as stipulated under these Terms and Conditions (*inter alia* information rights pursuant to Condition 11.15 (*Financial reporting and information*), termination rights pursuant to Condition 13 (*Termination of the Bonds*)) relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorization for the Agent to act on its behalf. The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available upon request of any Holder.
- (b) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (c) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (d) The Agent may act as agent and/or security trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- (e) The Issuer appoints the Agent also as bondholders' representative for the Holders.
- (f) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (a) after the occurrence of an Event of Default, (b) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (c) when the Agent is to make a determination under the Finance Documents.

### 9.2 Limited liability for the Agent

- (a) The Agent will only be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document and such liability being limited to an amount which corresponds to the tenfold amount of its annual fees, unless any damages are directly caused by gross negligence (*faute lourde*) or wilful misconduct (*faute intentionnelle / dol*).
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Condition 16 (*Meetings of Holders*).

### 9.3 Replacement of the Agent

- (a) The Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or the Issuer or by way of Written Procedure initiated by the retiring Agent or the Issuer.
- (b) For the replacement of the Agent by appointment of a successor Agent pursuant to Condition 9.3(a), the provisions under Condition 16 (*Meetings of Holders*) and Condition 17 (*Appointment of Holders' Representative*) apply.

## 10. TRANSACTION SECURITIES

### 10.1 Granting of the Transaction Securities

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Pledgors have granted and will grant the Transaction Securities to the Secured Creditors as represented by the Security Agent on the terms set out in the Transaction Security Documents.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Creditors and shall have all the claim rights necessary for establishment, perfection, maintenance and enforcement of the Transaction Security in accordance with the terms of the Transaction Security Documents and the Security Agent Agreement.



- (c) Unless and until the Security Agent has received instructions from the Holders in accordance with Condition 16 (*Meeting of Holders*), the Security Agent shall (without first having to obtain the Holders' consent) be entitled to enter into agreements with the Pledgors or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Securities or for the purpose of settling the Holders' or the Issuer's rights to the Transaction Securities, in each case in accordance with the terms of the Transaction Security Documents, the Security Agent Agreement and the terms of the Finance Documents, and provided that such agreements or actions are not detrimental to the interests of the Holders.
- (d) The Agent shall be entitled to give instructions relating to the Transaction Securities to the Security Agent in accordance with the Security Agent Agreement.

#### 10.2 Release of Transaction Securities

The Security Agent may at any time, acting on instructions of the other Secured Creditors, release any Transaction Securities in accordance with the terms of the Transaction Security Documents and the Security Agent Agreement. For the avoidance of doubt, any Transaction Security will always be released pro rata between the Secured Creditors and the remaining Transaction Security will continue to rank *pari passu* between the Secured Creditors as set forth in the Transaction Security Documents and the Security Agent Agreement.

#### 10.3 Enforcement of Transaction Securities

- (a) The Security Agent may only take action to accelerate or enforce any Transaction Security in accordance with the terms of the Security Agent Agreement and the Transaction Security Documents.
- (b) Upon an enforcement of the Transaction Securities or following receipt of any recovery after the occurrence of an insolvency event of the Issuer, the enforcement proceeds and any amount of recoveries will, pursuant to the Security Agent Agreement, be distributed towards discharge of the liabilities under these Terms and Conditions and the Bonds.
- (c) All Transaction Securities or arrangement having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any enforcement.

#### 10.4 Parallel Debt

- (a) To the extent that any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) is secured by any Transaction Security, Guarantee or indemnity that also secures the Bonds in accordance with these Terms and Conditions (together, the "**Corresponding Debt**"), the Issuer and its relevant Subsidiaries shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under

the Corresponding Debt (the “**Parallel Debt**”). The Security Agent is a joint creditor (together with the other Secured Creditors) of the Corresponding Debt and, accordingly, the Security Agent shall have its own independent right to demand performance by the Issuer or any of its Subsidiaries thereunder.

- (b) The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Debt and the Parallel Debt will be equal).
- (c) In case the Security Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Transaction Security, Guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the relevant Transaction Security Document (it being understood that the amount that is due to the Holders in accordance with the Conditions will only be reduced with the amount the Security Agent would pay to the Holders under the Parallel Debt or the enforcement of any Transaction Security, Guarantee or indemnity).

## 11. SPECIAL UNDERTAKINGS

### 11.1 General

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Condition 11.

### 11.2 Distributions

- (a) The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to (a) pay any dividend or make any other payment or distribution on its respective Equity Interests or make any other similar distribution or transfers of value to the Issuer’s or the Guarantors’ direct or indirect shareholders or the Affiliates of such direct and indirect shareholders (other than dividend or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer), (b) repurchase or redeem any of its respective Equity Interest or the Equity Interest of the Issuer or any direct or indirect parent of the Issuer (including repurchase and redemption with payment to shareholders) or (c) repay principal or pay cash interest under any Shareholder Loans, (items (a)–(c) above are together and individually referred to as a “**Restricted Payment**”); provided, however, that, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, any such Restricted Payment can be made (i) by any Guarantor if such Restricted Payment is made to the Issuer or another Guarantor and, if made by any Guarantor which is not directly or indirectly wholly-owned by the Issuer, to other Persons on a *pro rata* basis and (ii) by the Issuer or any Guarantor, provided that (A) the Issuer would, at the time of such Restricted Payment, have been permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the

Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment as if the Restricted Payment had been made at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report); and (B) the aggregate amount of all Restricted Payments (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (i) above and any Permitted Payment) of the Group made in a financial year does not exceed 25.00 per cent. of the Group's distributable profit accrued since the fiscal year in which the Bonds were issued.

- (b) As long as no Event of Default has occurred and is continuing (or would result therefrom), the restrictions under Condition 11.2(a) shall not prohibit Permitted Payments.

### 11.3 Listing of Bonds

The Issuer shall ensure (a) within ten (10) Business days after the Issue Date that the Bonds are admitted to trading on a Regulated Market at the Frankfurt Stock Exchange or another comparable trading segment within the EU, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (b) that, upon any further issues of Bonds pursuant to Condition 15 (*Further Issues*), the volume of Bonds listed on the relevant Regulated Market promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

### 11.4 Financial Indebtedness and Disqualified Stock

- (a) The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively for the purpose of this Condition 11.4 "**incur**") any Financial Indebtedness or issue any Disqualified Stock or preferred stock, provided, however, that the Issuer may incur Financial Indebtedness or issue Disqualified Stock and the Guarantors may incur Financial Indebtedness and issue preferred stock if: (a) the Incurrence Test is met (calculated on a *pro forma* basis as if the additional Financial Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report); and, if a Financial Indebtedness is to be incurred, (b) such Financial Indebtedness ranks *pari passu* with or is unsecured or is subordinated to the obligations of the Issuer or the Guarantors under the Finance Documents. The foregoing shall not prohibit the incurrence of any Permitted Debt.
- (b) The Issuer shall not incur, and the Guarantors have undertaken in the Guarantee not to incur, any Financial Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Financial Indebtedness of the Issuer or such Guarantor unless such Financial Indebtedness is also contractually subordinated

in right of payment under the Finance Documents on substantially identical terms; provided, however, that no Financial Indebtedness shall be deemed to be contractually subordinated in right of payment to any other Financial Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

#### 11.5 Negative pledge

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, create or allow to subsist, retain, provide, prolong or renew any security of any kind (including any mortgage, lien, pledge, charge, security interest or encumbrance) ("**Security**") over any of their assets (present or future) to secure any Financial Indebtedness, provided, however, that the Obligors have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

#### 11.6 Loans out

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, except for Permitted Loans, be the creditor or guarantor of any Financial Indebtedness.

#### 11.7 Disposals of assets

- (a) The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, sell or otherwise dispose of Equity Interest in any Restricted Subsidiary or of all or substantially all of the Issuer's or any Guarantor's assets or operations to any Person (including the Issuer and the Guarantors). The above shall not prevent the following transactions:
- (i) the sale or other disposal of Equity Interest in any Restricted Subsidiary, other than the Guarantors, (i) to the Issuer or the Restricted Subsidiaries and (ii) to a Person other than the Issuer and the Restricted Subsidiaries provided that the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect;
  - (ii) the sale or other disposal of Equity Interest in the Issuer or in any of the Guarantors or of all or substantially all of the assets or operations of the Issuer or any Guarantor to the Issuer or a Guarantor;
  - (iii) the sale or other disposal of Equity Interest in any Guarantor to a Person other than the Issuer and the Guarantors provided that: (i) the seller of the Equity Interest in the Guarantor is the Issuer or a Guarantor and that the proceeds from the sale are paid to the Issuer or a Guarantor, as applicable; (ii) the transaction is carried out at fair market value and on terms and conditions customary for such transactions; and (iii) such transaction does not have a Material Adverse Effect; and

- (iv) the sale or other disposal of all or substantially all of the assets or operations of any Guarantor, to a Person other than the Issuer or a Guarantor provided that: (i) the proceeds from the sale or other disposal are paid to the Issuer or a Guarantor, as applicable; (ii) the transaction is carried out at fair market value and on terms and conditions customary for such transactions; and (iii) such transaction does not have a Material Adverse Effect.
- (b) For the avoidance of doubt, the sale or disposal of all or substantially all of the assets or operations in the Issuer and the Restricted Subsidiaries taken as a whole shall be governed by Condition 6.4 (*Mandatory repurchase due to a Put Option Trigger Event (put option)*).

## 11.8 Mergers

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, directly or indirectly, consolidate or merge with or into another Person. The above shall not prevent the following mergers, provided that they do not have a Material Adverse Effect:

- (a) mergers between or among Restricted Subsidiaries;
- (b) mergers of the Restricted Subsidiaries into the Issuer;
- (c) mergers between or among the Issuer or a Guarantor and other Guarantors;
- (d) mergers between or among the Restricted Subsidiaries (including the Obligors), provided, in the case of a merger of the Issuer or a Guarantor, that the Person formed by or surviving any such merger (if other than the Issuer or a Guarantor, as the case may be) assumes all the obligations of the Issuer or the Guarantor, as the case may be, under these Terms and Conditions and the Guarantee (as applicable) pursuant to accession agreements reasonably satisfactory to the Agent;
- (e) mergers of the Issuer or a Restricted Subsidiary on the one side and a Third Party on the other side, provided that: (i) the Issuer or the Restricted Subsidiary, as applicable, is the surviving Person; and (ii) the Issuer would, on the date of the merger, have been permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis as if the merger had been made at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report) or have, both an Interest Coverage Ratio and a Capitalization Ratio not lower than it was immediately prior to giving effect to such transaction;
- (f) mergers of a Restricted Subsidiary, other than the Issuer or the Guarantors, on the one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as

consideration and any other consideration will be held by the Group Company that held the shares of the Restricted Subsidiary previous to the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers; and

- (g) mergers of a Guarantor on one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as consideration and any other consideration are held by the Issuer or a Guarantor, as applicable, post the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers.

#### 11.9 Dividend and other payment restrictions

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to: (a) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of the Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Financial Indebtedness owed to the Issuer or any of the Restricted Subsidiaries; (b) make loans or advances to the Issuer or any of the Restricted Subsidiaries; or (c) sell, lease or transfer any of its properties or assets to the Issuer or any of the Restricted Subsidiaries; in each case, only if such encumbrance or restriction result in a Material Adverse Effect and unless such encumbrance or restriction is contained in or related to Financial Indebtedness constituting a Permitted Debt, Permitted Security or Permitted Loan or is otherwise permitted to be incurred under these Terms and Conditions and the terms and conditions for the Existing Bonds.

#### 11.10 Additional Guarantee

The Issuer shall procure that any Restricted Subsidiary of the Issuer which is not a Guarantor as of the Issue Date shall become a guarantor of the Bonds within three (3) months after the grant of the first loan to its customers (an “**Additional Guarantor**”). Such Additional Guarantor shall be a “Guarantor” and such new Guarantee shall be a “Guarantee” for the purpose of these Terms and Conditions. Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to guarantee the Bonds to the extent that such new Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

#### 11.11 Additional Transaction Securities

The Issuer shall (a) procure that any Restricted Subsidiary of the Issuer which is not a Pledgor as of the Issue Date shall enter into transaction security documents with the Security Agent substantially equivalent to the existing Transaction Security Documents (an “**Additional Pledgor**”) and (b) grant a pledge over the shares of such Additional Pledgor to the Security Agent,

within ninety (90) calendar days after any such Restricted Subsidiary becomes or has become a Material Group Companies. Such Additional Pledgor shall be a “Pledgor” and such new transaction security documents shall be “Transaction Security Documents” for the purpose of these Terms and Conditions. Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to grant the Transaction Securities to the extent that such new Transaction Securities by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that any Additional Pledgor enter into an Account Pledge Agreement within ninety (90) calendar days after such Restricted Subsidiary becomes an Additional Pledgor, and such Account Pledge Agreements shall be “Transaction Security Documents” for the purpose of these Terms and Conditions.

#### 11.12 Dealings with related parties

The Issuer shall, and the Guarantors have undertaken in the Guarantee to conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm’s length terms.

#### 11.13 Companies operating under the Group brands

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that it shall vertically integrate within the Group any entity outside of the Group currently operating or existing under the Group brands so that any such entity shall become effectively a Restricted Subsidiaries and, subject to Condition 11.10 (*Additional Guarantee*) above, an Additional Guarantor. Any such integration, subject to applicable local law requirements and limitations, shall occur for a price equal to the lower of (i) the costs incurred by the shareholders of and (ii) market price of such entities, and by no later than 11 July 2019. If such integration is not possible due to applicable local law requirements and limitations, the Issuer shall integrate such entities within the Group through a licensing agreement. The Issuer shall, and the Guarantors have undertaken in the Guarantee to, procure that all future operations in new countries shall be established only through Restricted Subsidiaries.

#### 11.14 Compliance with laws

The Issuer shall, and the Guarantors have undertaken in the Guarantee to (a) comply in all material respects with all laws and regulations applicable from time to time and (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorization, approval, licence or other permit required for the business carried out by a Group Company.

#### 11.15 Financial reporting and information

- (a) The Issuer shall:
- (i) prepare and make available the annual audited unconsolidated and consolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
  - (ii) prepare and make available the quarterly interim unaudited consolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than forty-five (45) calendar days after the expiry of each relevant interim period;
  - (iii) hold quarterly earning calls with investors in the Bonds;
  - (iv) issue a Compliance Certificate to the Agent and make it available on its website (A) in connection with the incurrence of Financial Indebtedness, the issuance of Disqualified Stock or preferred stock, the payment or distribution of any Restricted Payment and a merger under Condition 11.8 (*Mergers*) which requires that the Incurrence Test is met, (B) in connection with the Financial Reports being made available and (C) at the Agent's request, within twenty (20) calendar days from such request;
  - (v) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website; and
  - (vi) promptly notify the Agent (and, as regards a Put Option Trigger Event, the Holders) upon becoming aware of the occurrence of (i) a Put Option Trigger Event or an Equity Listing Event, (ii) an Event of Default or (iii) a default or an event of default, howsoever described, under the Existing Bonds, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (b) The Issuer shall notify the Agent of any transaction referred to in Condition 11.7 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the transaction which the Agent deems necessary (acting reasonably) and, if applicable, (b) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and



conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (b) above.

- (c) The Issuer shall notify the Agent of any merger referred to in Condition 11.8 (*Mergers*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the merger which the Agent deems necessary (acting reasonably), including, in case of a merger where the Issuer or a Guarantor is not the surviving entity pursuant to Condition 11.8 an opinion by legal counsel, that the accession agreement executed in connection therewith, these Terms and Conditions and/or the Guarantee are legally valid and binding obligations of the successor Person in accordance with their terms.

#### 11.16 Agent Agreement

- (a) The Issuer shall, in accordance with the Agent Agreement:
  - (i) pay fees to the Agent;
  - (ii) indemnify the Agent for costs, losses and liabilities;
  - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
  - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

## 12. FINANCIAL COVENANTS

### 12.1 Financial Conditions

The Issuer shall ensure that

- (a) the Interest Coverage Ratio for the Relevant Period is at least 1.25.;  
and
- (b) the Capitalization Ratio for the Relevant Period is at least:
  - (i) 8.00 per cent until the end of the financial year ending on 31 December 2018;
  - (ii) 10.00 per cent until the end of the financial year ending on 31 December 2019; and
  - (iii) 15.00 per cent until the end of the financial year ending on 31 December 2020 and until full repayment of the Bonds.

### 12.2 Financial Testing

The financial covenants set out in Condition 12.1 (*Financial Conditions*) shall be calculated in accordance with the Accounting Principles and tested by reference to each of the Financial Report of the Issuer delivered pursuant to Condition 11.15(a)(i) and 11.15(a)(ii) and/or each Compliance Certificate delivered pursuant to Condition 11.15(a)(iv)(B).

### 12.3 Covenant Cure

- (a) The shareholders of the Issuer may cure or prevent a breach of the financial covenants in Condition 12.1 (*Financial Conditions*) (and any Event of Default arising as a result therefrom) if, prior to or within ninety (90) calendar days of the earlier of (i) the date on which the relevant Financial Report and Compliance Certificate are to be delivered and (ii) the date that such Financial Report and Compliance Certificate were in fact delivered to the Agent pursuant to the terms of this Agreement for any Relevant Period in which such failure to comply was (or would have been) first evidenced, the Issuer receives the cash proceeds of New Shareholder Injections from the shareholders of the Issuer (the “**Equity Cure**”), in an amount at least sufficient to ensure that the financial covenants set out above would be complied with if tested again as at the last day of the same Relevant Period on the basis that any Equity Cure so provided shall be included for the Relevant Period as if provided immediately prior to the last day of such Relevant Period (the “**Adjustment**”).
- (b) Any new equity and/or subordinated debt so provided in respect of any Relevant Period shall be deemed to have been provided immediately prior to the last date of such Relevant Period and shall be included (without double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.
- (c) In relation to any Equity Cure provided prior to the date of delivery of the relevant Compliance Certificate for the Relevant Period, such Compliance Certificate shall set out the revised financial covenants for the Relevant Period by giving effect to the Adjustment set out above and confirming that such Equity Cure has been provided.
- (d) In relation to any such Equity Cure so provided following the date of delivery of the relevant Compliance Certificate for the Relevant Period, immediately following the proceeds of that Equity Cure being provided to it, the Issuer shall provide a revised Compliance Certificate to the Agent setting out the revised financial covenants for the Relevant Period by giving effect to the Adjustment.
- (e) If, after giving effect to the Adjustment, the requirements of the relevant financial covenants are met, then the requirements thereof shall be deemed to have been satisfied at the relevant original date of determination and any default, Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of the Finance Documents.

### **13. TERMINATION OF THE BONDS**

13.1 The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

(a) Non-payment

any Obligor fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within ten (10) Business Days of the due date;

(b) Other obligations

the Issuer or any other Group Company does not comply with the Finance Documents in any other way than as set out under item (a) (Non-payment) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);

(c) Cross-default and cross-acceleration

(i) an event of default, howsoever described, occurs under the Existing LV Bonds;

(ii) any Financial Indebtedness of any Material Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of any Material Group Company; or

(iii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under item (ii) and/or (iii) above, individually or in the aggregate exceeds an amount corresponding to EUR 10,000,000 (or its equivalent in any other currency) and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(d) Insolvency

(i) any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors

(other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness other than the Bonds;

- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company; or
- (iii) a Luxembourg Insolvency Event occurs with respect to the Issuer.

(e) Insolvency proceedings

any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Group Companies other than the Issuer or the Guarantors, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganization (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;

(f) Mergers and demergers

unless allowed under Condition 11.8 (*Mergers*), the Issuer or any Guarantor merges with a Person other than the Issuer or a Guarantor, or is subject to a demerger, with the effect that the Issuer or the Guarantor is not the surviving entity;

(g) Creditors' process

any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding EUR 10,000,000 (or its equivalent in any other currency) and where such process (i) is not discharged within thirty (30) calendar days or (ii) is being made in bad faith by the claimant, as evidenced by the Issuer to the Agent (such evidence to be accepted or dismissed by the Agent in its sole discretion);

(h) Impossibility or illegality

it is or becomes impossible or unlawful for the Issuer or the Guarantors to fulfil or perform any of the provisions of the Finance

Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable;

(i) Loss of business license

any Guarantor loses its business license and such loss of business license has a Material Adverse Effect;

(j) Continuation of the business

any Group Company ceases to carry on its business (except if due to a merger or a disposal of assets as permitted under Conditions 11.7 (*Disposals of assets*) and 11.8 (*Mergers*)) and such event has a Material Adverse Effect.

13.2 Termination for payment prematurely may only occur if the cause of termination is continuing at the time of the Agent's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Condition 13.1(d) (*Insolvency*).

13.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.

13.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Conditions 13.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Condition 13.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Condition 13.1 and provide the Agent with all documents that may be of significance for the application of this Condition 13.

13.5 The Issuer is only obligated to inform the Agent according to Condition 13.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Frankfurt Stock Exchange (or any other stock exchange, as applicable). If such a conflict would exist pursuant to the listing contract with the relevant stock exchange or otherwise, the Issuer shall however be obligated to either seek the approval from the relevant stock exchange or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Condition 13.4

13.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Condition 13.1, the Agent shall decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the

provisions in Condition 16 (*Meetings of Holders*). If the Holders vote in favor of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.

- 13.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Condition 16 (*Meetings of Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 13.8 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 13.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Condition 13 without relevant decision by the Agent or following instructions from the Holders' pursuant to Condition 16 (*Meetings of Holders*).
- 13.10 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount.

#### **14. AGENTS**

##### **14.1 Paying Agent**

The Issuer has appointed Banque Internationale à Luxembourg, to act as paying agent (the "**Paying Agent**"). Changes of address shall be notified in accordance with Condition 18 (*Notices*). In no event will the specified office of the Paying Agent be within the United States or its possessions.

##### **14.2 Calculation Agent**

The Issuer has appointed Banque Internationale à Luxembourg, to act as calculation agent (the "**Calculation Agent**"). Changes of address shall be published in accordance with Condition 18 (*Notices*). In no event will the specified office of the Calculation Agent be within the United States or its possessions.

##### **14.3 Substitution**

The Issuer will procure that there will at all times be a paying agent as well as a calculation agent. The Issuer may at any time, by giving not less than 30 days' notice appoint another bank of good reputation as Paying Agent.

Furthermore, the Issuer is entitled to terminate the appointment of any bank as Paying Agent. In the event of such termination or any of such bank being unable or unwilling to continue to act as Paying Agent in the relevant capacity, the Issuer will appoint another bank of good reputation as Paying Agent in the relevant capacity. Such appointment or termination will be published without undue delay in accordance with Condition 18 (*Notices*), or, should this not be possible, be published in another appropriate manner.

#### 14.4 Binding Determinations

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

### 15. FURTHER ISSUES

The Issuer reserves the right to issue from time to time, without the consent of the Holders, additional bonds with substantially identical terms as the Bonds (as the case may be, except for the issue date, interest, commencement date and/or issue price), including in a manner that the same can be consolidated to form a single series of bonds and increase the aggregate principal amount of the Bonds. The term “**Bond**” will, in the event of such consolidation, also comprise such additionally issued bonds. The Issuer shall, however, not be limited in issuing additional bonds, which are not consolidated with the Bonds and which provide for different terms, as well as in issuing any other debt securities.

### 16. MEETINGS OF HOLDERS

#### 16.1 General

Articles 470-3 – 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the “**Companies Law**”) shall be derogated by this Condition 16.

#### 16.2 Convening of physical meetings

The Issuer may, and shall upon the request in writing signed by any one or more of the Holders holding not less than 10 per cent of the principal amount of all the Bonds for the time being outstanding, convene a meeting of the Holders to be held at such place and by any means as the Issuer shall determine.

At least fourteen (14) clear days’ notice shall be given by the Issuer to the Holder by simple letter or electronic mail, or through the Clearing System in the conditions provided in Condition 18 (*Notices*). The notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted. The notice shall state that the Holder is entitled to appoint a proxy to attend and vote on such Holder’s behalf for the purposes of Conditions 16.7 (*Poll*) and 16.8 (*Voting*).

Any notice given through the Clearing System shall be deemed to have been given to each Holder on the day after the day on which the said notice was given to the Clearing System.

The accidental failure to give notice to or the non-receipt of notice by the Holder shall not invalidate the proceedings of or any resolution passed at any meeting.

### 16.3 Quorum and majority

Modification of the Conditions (i) to change the maturity of the Bonds or the date on which interest (if any) is payable in connection with the Bonds, (ii) to reduce the nominal amount of or reduce the interest rate (if any) payable in connection with the Bonds, (iii) to amend the redemption conditions, (iv) to increase or decrease the total interest and Redemption Amount (v) to change majority required to pass a resolution or (vi) to make any other change or amendment to the Conditions or the Transaction Security Documents (other than any modification, authorization or waiver as described in Condition 16.14 (*Amendments and waivers not requiring a Holders' resolution*) below) may only be made by a resolution approved by two-thirds of votes cast (an "**Extraordinary Resolution**").

Other resolutions concerning, inter alia, (i) the approval of any conservatory measure taken in the common interest of the Holders, (ii) the determination of any other measures aimed at defending the Holders' interests or the exercise by the Holders of their rights will be taken by a resolution approved by a simple majority of votes cast (an "**Ordinary Resolution**").

The quorum at any meeting for passing an Extraordinary Resolution or an Ordinary Resolution will be one or more persons holding or representing not less than 50 per cent of the nominal amount of the relevant Bonds for the time being outstanding. Any resolution passed at any meeting of the Holders will be binding on all the relevant Holders (whether or not they were present at the meeting at which such resolution was passed).

If no quorum is present within thirty (30) minutes from the time appointed for any meeting of the Holders, the meeting shall be adjourned to such day (not being less than fourteen (14) days nor more than twenty-eight (28) days after the date of the original meeting) and time and place as the chairman directs. At any such adjourned meeting the Holder or Holders or proxies for Holders present, regardless of the number of Bonds held or represented by them, will constitute a quorum for all purposes. At least seven (7) days' notice of any adjourned meeting of the Holders shall be given. Notice of any adjourned meeting shall, so far as possible, be given in the same manner as for the original meeting and such notice shall state that the Holder or Holders or proxies for the Holders present at such meetings, regardless of the number or the Bonds held or represented by them, will constitute a quorum. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting from which the adjournment took place.

### 16.4 Chairman

The Issuer may nominate in writing a person to preside as chairman at a meeting but if no such person is nominated or, if at any meeting the person nominated shall not be present within five minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be pro tempore chairman for this meeting. No chairman is requested for a



decision that is taken by way of resolution in writing as set out in Condition 16.13 (*Resolution in writing*) below.

16.5 Attendance of members of the board of directors of the Issuer and advisors

The members of the board of directors and the legal and other professional advisors of the Issuer and any other person authorized in that behalf by the Issuer may attend and speak at any meeting.

16.6 Resolutions taken during a physical meeting

A resolution put to the vote of the meeting shall be decided on a show of hands unless before the declaration of the result on the show of hands a poll is demanded by the chairman or by one or more Holders present in person or by proxy and holding or representing in aggregate not less than 5 per cent of the relevant Bonds for the time being outstanding. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

16.7 Poll

If a poll is duly demanded it shall be taken in such manner and at such time and place as the chairman may direct except that a poll demanded on the election of a chairman or any question of adjournment shall be taken at the meeting without adjournment.

No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) days' notice shall be given.

The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

The result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

16.8 Voting

On a poll every Holder who is present in person or by proxy or, in the case of a corporation, by its authorized representatives shall have one vote for every Bond held by him. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

No objection shall be raised to the qualification of any person voting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

16.9 Equality of votes

In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting shall not be entitled to a casting vote.

#### 16.10 Adjournment of meeting

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. No notice of any such adjourned meeting need be given except when the meeting is adjourned for fourteen (14) days or more, in which event at least seven (7) clear days' notice shall be given.

#### 16.11 Proxies

The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorized in writing or, if the appointor is a corporation, signed by an attorney or officer so authorized. The Issuer may but shall not be bound to require evidence of the authority of any such attorney or officer.

A person appointed to act as proxy need not be a Holder. The chairman of the meeting may be designated as a proxy in an instrument of proxy without being named. An instrument of proxy shall be valid for any adjournment of the meeting to which it relates unless the contrary is stated on it.

The instrument appointing a proxy and the power of attorney under which it is signed or a notarially certified copy of such power of attorney shall be deposited at the Issuer's registered office or at such place as may be specified in the notice convening the meeting or any document accompanying such notice not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll to which such instrument relates. Any instrument of proxy not deposited as provided in this Condition 16.11 shall be invalid.

The instrument appointing a proxy shall not have been granted more than twelve (12) months before the meeting at which it is purported to be used.

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given unless notification in writing of the death, insanity or revocation shall have been received at the registered office of the Issuer prior to the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is to be used.

#### 16.12 Minutes

The chairman shall procure that minutes of all resolutions and proceedings at every meeting shall be produced and duly entered in books to be provided for that purpose by the Issuer. Any such minutes as aforesaid if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting of the Holders shall be conclusive evidence of the

matters contained in the minutes and until the contrary is proved every such meeting in respect of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed at such meeting to have been duly passed.

#### 16.13 Resolution in writing

Notwithstanding the above, a resolution in writing signed as described in this Condition 16.13 (“**Vote without Meeting**”) shall be valid and effectual as if it had been passed at a meeting of the Holders duly convened and held. Such resolution in writing may consist of several documents in the like form each signed by or on behalf of one or more such persons.

A resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Holders.

A resolution in writing signed by or on behalf of the holders of a simple majority in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Ordinary Resolution passed at a meeting of Holders.

A resolution in writing, for which the Holders will express their approval or disapproval electronically, shall for all purposes be as valid and effectual as an Ordinary Resolution or, as the case may be, an Extraordinary Resolution as if it had been passed at a meeting of the Holders duly convened and held.

#### 16.14 Amendments and waivers not requiring a Holders’ resolution

The Issuer and the Agent may determine, without liability to any person therefor, any modification of the Terms and Conditions or the Transaction Security Documents, or waiver of any rights thereof, which is, in the opinion of the Issuer and the Agent, of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law and which is in the opinion of the Issuer and the Agent not materially prejudicial to the interests of the Holders. Any such modification, authorization or waiver will be binding on the Holders and such modification will be notified to the Holders as soon as practicable in accordance with Condition 18 (*Notices*).

### 17. APPOINTMENT OF HOLDERS’ REPRESENTATIVE

17.1 The Holders may by majority resolution provide for the dismissal of the Agent who acts pursuant to Condition 9.1(e) also as Holders’ representative and shall provide by majority resolution for the appointment of another Holders’ representative. Such appointment of the Holders’ representative may at the same time also include the appointment as agent under Condition 9 (*Agent*). In the event that such Holders’ representative/Agent is to be authorized to consent to a material change in the substance of the Terms and Conditions or other material matters, the appointment may only be passed by a Qualified Majority.

17.2 If the Holders' representative is also appointed in its capacity as Agent pursuant to Condition 9 (*Agent*), the provisions of Condition 9 (*Agent*) apply to such appointed Holders' representative and Agent.

## 18. NOTICES

18.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

(a) if to the Agent, shall be given at the address Bleichstraße 2-4, 60313 Frankfurt am Main, Germany on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;

(b) if to the Issuer, shall be given at the address 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg or such address notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time;

(c) if to a Guarantor, shall be given to the address stated in the Guarantee or such address notified by the Guarantor to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Guarantor to the Agent from time to time; and

(d) if to the Holders, shall be published in the electronic Federal Gazette (*Bundesanzeiger*), on the Issuer's website and/or otherwise in accordance with the provisions of legal regulations. A notice will be deemed to be made on the day of its publication (in case of more than one publication, on the day of the first publication). As long as the Bonds are cleared, the Issuer shall also make notifications to the clearing system for communication by the clearing system to the Holders or directly to the Holders, provided this complies with the rules of the stock exchange on which the Bonds are listed. Notifications vis-à-vis the clearing system will be deemed to be effected seven (7) days after the notification of the clearing system, direct notifications of the Holders will be deemed to be effected upon their receipt.

18.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 18.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 18.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Condition 18.1

18.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

## **19. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within ten (10) years (in the case of payments relating to principal) or five (5) years (in the case of payments relating to interest) as from the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) as from the date on which notice is duly given to the Holders in accordance with Condition 18 (*Notices*) stating that, upon further presentation of the Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

## **20. APPLICABLE LAW AND PLACE OF JURISDICTION**

### **20.1 Governing Law**

The Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

### **20.2 Jurisdiction**

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Bonds shall be the courts of Luxembourg, Grand Duchy of Luxembourg. The Issuer and the Holders hereby submit to the jurisdiction of such court.

## XXIV. GUARANTEE

### GUARANTEE AGREEMENT DATED 9 JULY 2018 AS AMENDED AND RESTATED ON 13 NOVEMBER 2018, 31 JANUARY 2019, 31 MAY 2019 AND \_\_\_\_ NOVEMBER 2019 AND MADE BETWEEN

- (1) The companies listed in Annex 1; (jointly referred to as the “**Guarantors**” and each a “**Guarantor**”);
- (2) Greenmarck Restructuring Solutions GmbH, registered with the lower court of Munich, HRB 187052, with registered office at Widenmayerstraße 16, 80538 Munich, Germany, acting on behalf of the Secured Creditors (the “**Security Agent**”);

#### AND

- (3) **Mogo Finance**, a public limited liability company (*société anonyme*), incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg and registered with Luxembourg trade and companies register under number B174457 (the “**Issuer**”).

The Guarantors, the Security Agent and the Issuer are collectively referred to as the “**Parties**” and each individually as a “**Party**”.

#### IT IS AGREED AS FOLLOWS:

##### PRELIMINARY CLAUSE

The Guarantors, the Security Agent and the Issuer entered into a guarantee agreement dated 9 July 2018 as amended and restated on 13 November 2018, 31 January 2019 and 31 May 2019 (the “**Original Guarantee Agreement**”).

The Original Guarantee Agreement is hereby amended and restated in the form of this Guarantee with effect starting from \_\_\_\_ November 2019.

#### 1. DEFINITION AND INTERPRETATION

##### 1.1 Definitions

In this first demand guarantee (*garantie autonome à première demande*) (the “**Guarantee**”), the following capitalized terms shall have the meanings set forth below.

“**Effective Date**” means for the Existing Bonds, 11 July 2018, 16 November 2018 and for the New Bonds, \_\_\_\_ November 2019.

“**Obligor**” means the Issuer and each Guarantor.

“**Guaranteed Documents**” means the Finance Documents as defined in the Terms and Conditions.

**“Terms and Conditions”** means the terms and conditions for the 9.50% Senior Secured Bonds 2018/2022 issued by Mogo Finance from time to time with ISIN code XS1831877755.

Terms defined in the Terms and Conditions have the same meaning when used in this Guarantee unless otherwise defined in this Guarantee.

## 1.2 Interpretation

- (a) Save where the contrary intention appears, a reference in this Guarantee to any of the Guaranteed Documents or any other document shall be construed as a reference to such Guaranteed Document or such other documents as amended, varied, novated assigned, supplemented or restated from time to time, as the case may be, in accordance with its terms.
- (b) Save where the contrary intention appears, a reference in this Guarantee to any person or entity shall include any successor, assignee or transferee of such person or entity.

## 2. GUARANTEE

- 2.1 The Guarantors hereby unconditionally and irrevocably guarantee by way of an independent payment obligation to each holder of the Bonds (the **“Holders”**) the due and punctual payment of principal of, and interest on, and any other amounts payable under the relevant Bonds (the **“Guaranteed Obligations”**) under the terms of this Guarantee.
- 2.2 This Guarantee shall be separate and independent from the obligations of the Issuer and shall exist irrespective of the validity and enforceability of the obligations of the Issuer under the Bonds.
- 2.3 The Guarantee constitutes an independent payment obligation for the benefit of the Secured Creditors, giving rise to the right of each Secured Creditor to require performance of the Guarantee directly from the Guarantors and to enforce the Guarantee directly against the Guarantors, notwithstanding the possibility to enforce the Guarantee through the Security Agent under the Terms and Conditions and the provisions of this Guarantee. The Parties expressly agree that any reference in this Guarantee to the Guaranteed Documents and to the Terms and Conditions shall under no circumstances be construed as affecting the independent, unconditional and irrevocable nature of the first demand guarantee granted pursuant to this Guarantee.
- 2.4 The Guarantors irrevocably undertake to pay to the Security Agent upon written first demand (a **“Payment Demand”**) of the Security Agent, the amounts payable as principal, interest and other amounts due by the Secured Creditors pursuant to the Terms and Conditions on due dates as provided in the Terms and Conditions.

- 2.5 The intent and purpose of this Guarantee is to ensure that the Secured Creditors under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of the Issuer or of any other grounds on the basis of which the Issuer may fail to effect payment, shall receive the amounts payable as principal, interest and other amounts to the Secured Creditors pursuant to the Terms and Conditions on due dates as provided in the Terms and Conditions.
- 2.6 The Guarantee will rank *pari passu* with all of the Guarantors' 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 relevant Guarantor's jurisdiction.
- 2.7 The Obligations of the Guarantors *vis-à-vis* the Security Agent under this Clause 2 shall not be:
- (a) satisfied, discharged, lessened, impaired or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of, or any liquidation, winding up or analogous proceedings relating to, any of the Guarantors; and
  - (b) discharged, prejudiced, lessened, affected or impaired by any act, event, omission or circumstance whatsoever which but for this provision would or might operate to release or exonerate the Guarantors from all or any part of such obligations or in any way discharge, prejudice, lessen, affect or impair the same.
- 2.8 The Guarantors expressly consent to the Guarantee being independent from any other security granted in connection with the Bonds and waive any right which might result from the release of any such other security.

### **3. CONDITIONS OF THE GUARANTEE**

- 3.1 The Guarantors hereby irrevocably and unconditionally undertake to pay to the Security Agent, upon the Payment Demand, and in accordance with the conditions set out here below, all sums which the Security Agent may claim hereunder up to a maximum amount of principal of one hundred million euro (100,000,000 Euro), or the equivalent thereof in another currency, plus any interest, taxes or fiscal charges, duties, expenses, fees, rights, levies, indemnities and damages.
- 3.2 Any Payment demand made by the Security Agent to the Guarantors under this Guarantee shall be made by way of a written notification addressed by the Security Agent to the Guarantors, sent in accordance with the provisions set forth in Clause 14 below and having the following content (each a "**Notification**"):
- (a) specifying that the Security Agent is making a Payment Demand under this Guarantee;



- (b) specifying the amount due and payable by the Guarantors as well as the currency of payment of such sums; and
  - (c) providing details of the relevant bank account into which payment should be made, together with relevant instructions as to how payment should be made (if any),
  - (d) it being understood that:
  - (e) the Security Agent shall be under no obligation to provide the Guarantor with any additional document nor to support its claim with any other justification or evidence; and
  - (f) the payment obligation of the Guarantor under this Guarantee is not subject to the accuracy or the merit of any statement, declaration or information contained in any Notification.
- 3.3 The Guarantor shall make the payment requested in the Notification within two (2) Business Days as from the date of receipt (included) of the relevant Notification and in the currency as requested within the Notification. The Security Agent is entitled to request the payment of any amount in one or several instalments.
- 3.4 The Guarantors shall ensure that, so long as any of the Bonds are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, the Issuer is at all times an Affiliate of the Guarantors.

#### **4. GUARANTEE LIMITATIONS**

The obligations and liabilities of and the guarantee issued by each Guarantor under this Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the respective jurisdiction in which each of the Guarantors are incorporated, including but not limited to the provisions set forth in Annex 2.

#### **5. PAYMENT**

- 5.1 Each Guarantor shall immediately upon receipt of a Payment Demand by the Security Agent make any payment due under this Guarantee to the Security Agent as representative for the Secured Creditors.
- 5.2 All moneys received by the Security Agent, or its designee, in exercise of its rights under this Guarantee shall be applied by the Security Agent in discharge of the Guaranteed Obligations in accordance with the terms of the Terms and Conditions.
- 5.3 All payments by a Guarantor under this Guarantee shall be paid to the account designated by the Security Agent in full, free of any present or future taxes, levies, duties, charges, fees or withholdings and without any

deductions, restrictions, conditions, liens, set off or counterclaim whatsoever from the Guarantor.

## **6. SPECIAL UNDERTAKINGS**

Each Guarantor hereby undertakes to comply with the special undertakings set out in the conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Securities*), 11.12 (*Dealings with related parties*), 11.13 (*Companies operating under the Group brand*), 11.14 (*Compliance with law*) and 11.15 (*Financial reporting and information*) of the Terms and Conditions.

## **7. CONTINUING GUARANTEE**

7.1 Subject to Clauses 10 and 12, this Guarantee shall be a continuing guarantee and shall not be affected in any way by any variation, extension, waiver, compromise, release or discharge in whole or in part of the Guaranteed Obligations, any Guaranteed Document or of any security or guarantee from time to time therefore. To the extent it can be avoided by any action of the relevant Guarantor or otherwise, this Guarantee shall not be affected by any change in the laws, rules or regulations of any jurisdiction or by any present or future action of any governmental authority or court.

7.2 This Guarantee shall be in addition to and independent of any other guarantee, pledge or other security given or held by any other Secured Creditor in respect of the Guaranteed Obligations.

## **8. IMMEDIATE RECOURSE**

8.1 Each Guarantor waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantors under this Guarantee.

8.2 This waiver applies irrespective of any law or any provision of a Guaranteed Document to the contrary.

## **9. WAIVER**

9.1 Until the Guaranteed Obligations have been irrevocably paid in full, each Guarantor undertakes not to exercise any right:

- (a) of recourse or subrogation;
- (b) to be indemnified by an Obligor; or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Creditors or of any Secured Creditor,

it may have by reason of performance of its obligations under this Guarantee.

- 9.2 Accordingly, each Guarantor acknowledges that it cannot raise any objection, ground or plea of any kind, in particular based on the Guaranteed Documents, to refuse or delay the performance of its obligations under this Guarantee and/or any payment to be made by it under this Guarantee. In particular, but without limitation, each Guarantor acknowledges that its obligations to make payments hereunder are independent from (i) the validity, regularity and/or enforceability of the Guaranteed Documents and the rights and obligations of the Issuer thereunder, (ii) any absence of action by the Security Agent against the Issuer to enforce the Security Agent's rights under the Guaranteed Documents, (iii) any waiver or consent given by the Security Agent with respect to any provisions of the Guaranteed Documents, (iv) the occurrence of any event whatsoever which could prevent the Issuer from performing any of its obligations, including its payment obligations, under the Guaranteed Documents, including in relation to the opening of any voluntary or judicial insolvency proceedings in any jurisdiction, (vi) any other circumstances which might otherwise constitute a legal discharge of or a defence for such Guarantor.

## **10. RELEASE**

When all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full the Security Agent shall, upon the Issuer's written request and expense, promptly release each Guarantor from its obligations under this Guarantee. However, if any of the Guaranteed Obligations was only temporarily satisfied or maybe set aside by an insolvency administrator or may otherwise be avoidable, the Guarantee shall continue in full force and effect.

## **11. COSTS AND EXPENSES**

All costs and expenses (including legal fees and other out of pocket expenses and value added tax or other similar tax thereon) reasonably incurred by the Security Agent in connection with (i) the execution, preservation or enforcement of this Guarantee, and (ii) any amendment, consent, suspension or release of rights (or any proposal for the same) requested by a Guarantor relating to this Guarantee shall be borne by the relevant Guarantor and each Guarantor shall upon demand indemnify and hold the Security Agent harmless in respect of such reasonable costs and expenses.

## **12. ASSIGNMENTS**

- 12.1 The Security Agent may assign and transfer all or a part of its rights, claims and obligations under this Guarantee to any assignee or successor appointed in accordance with the Terms and Conditions.

- 12.2 For the avoidance of doubt, any assignment or transfer of all rights, claims and obligations under the Guaranteed Documents made by the Security

Agent or any other Secured Creditor in accordance with such Guaranteed Documents shall take effect as an assignment and assumption and transfer of all such Secured Creditor's rights and obligations under this Guarantee.

- 12.3 No Guarantor may assign or transfer any part of its rights, benefits, claims or obligation under this Guarantee.

### **13. DURATION**

- 13.1 The Guarantee takes effect on the Effective Date.
- 13.2 The Guarantee shall expire upon the full and unconditional repayment of the Guaranteed Obligations (the "**Expiry Date**").
- 13.3 After the Expiry Date, the Guarantors shall be discharged from all obligations under this Guarantee.

### **14. NOTICE**

- 14.1 Any notice, communication or demand (including a claim hereunder) to be given to each Party in connection with this Guarantee shall be in writing and delivered by hand, email, registered post or courier in accordance with this Clause.

- 14.2 The address of each Party to this Guarantee in respect of any notice and communications under this Guarantee is the one specified for each Guarantor in Annex 1 and the Issuer and the Security Agent as follows:

- (a) Issuer

Address: 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg

Attention: Board of Directors

- (b) Security Agent

Address: Widenmayerstraße 16, 80538 Munich, Germany

Attention: Martin Schoebe

- 14.3 Any notice or other communication made by one Party to another Party under or in connection with this Guarantee will only be effective:

- (a) in case of courier personal delivery, when it has been left at the address specified in this Guarantee;
- (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in this Guarantee; or
- (c) in case of email, when received in legible form by the email address specified in this Guarantee.

## **15. MISCELLANEOUS**

- 15.1 For the avoidance of doubt, the Guarantee shall not, in any manner whatsoever and for whatever reason, be construed as a *cautionnement* under articles 2011 et seq. of the Luxembourg Civil Code or as any other ancillary or similar undertaking.
- 15.2 No delay or omission in exercising any powers or privileges under this Guarantee shall be construed as a waiver thereof. Any exercise of any part of the rights shall not preclude subsequent enforcement of any such rights which have not, or have not fully, been exercised.
- 15.3 No amendment to this Guarantee shall be effective against any Party unless made in writing and signed by each of the Parties hereto, notwithstanding any decision by the Secured Creditors changing or amending the Terms and Conditions with regard to this Guarantee.
- 15.4 An original copy of this Guarantee is kept by the Security Agent at all times.

## **16. COUNTERPARTY**

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all counterparts together shall constitute one and the same instrument.

## **17. SEVERABILITY**

Should any provision of this Guarantee be or become invalid, ineffective or unenforceable as a whole or in part, the validity, effectiveness and enforceability of the remaining provisions shall not be affected thereby. Any such invalid, ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provision as comes closest to the economic intent and purpose of such invalid, ineffective or unenforceable provision as regards subject-matter, amount, time, place and extent. The aforesaid shall apply *mutatis mutandis* to any gap in this Guarantee.

## **18. GOVERNING LAW**

This Guarantee shall be governed by and construed in accordance with the laws of Luxembourg law.

## **19. JURISDICTION**

- 19.1 Subject to Clause 19.2, all disputes arising in connection with this Guarantee shall be submitted to the competent courts of Luxembourg.
- 19.2 The submission all disputes arising in connection with this Guarantee to the jurisdiction of Luxembourg shall not limit the right of the Security Agent or any court which may otherwise exercise jurisdiction over the relevant Guarantor or any of its assets.

**The Parties have executed this Guarantee in two (2) originals.**

*[Remainder of page intentionally left blank; signature pages to follow]*

[Signature pages of the guarantee]

Appendix 1 – Guarantors

	<b>Name</b>	<b>Reg. No.</b>	<b>Notice details</b>
1.	AS “mogo” ( <i>Latvia</i> )	50103541751	Skanstes street 50, LV-1013 Riga, Latvia
2.	mogo OÜ ( <i>Estonia</i> )	12401448	Pärnu mnt 148, Tallinn, 11317, Harjuumaa, Estonia
3.	UAB “mogo LT” ( <i>Lithuania</i> )	302943102	Vilniaus m. sav. Vilniaus m. Perkūnkiemio g. 6, Lithuania
4.	Mogo LLC ( <i>Georgia</i> )	404468688	42a Al. Kazbegi Street, Vake-Saburtalo District, 0160, Tbilisi, Georgia
5.	Mogo sp. z.o.o. ( <i>Poland</i> )	0000580983	ul. Chocimska, nr 35, lok. 26, miejsc. Warszaw, kod 00-791, poczta, Warsaw, Poland
6.	Mogo IFN SA ( <i>Romania</i> )	J40/5043/2016	Calea Victoriei Avenue, number 155, flat D1, section 6, floor 4, Bucarest, Romania
7.	Mogo Bulgaria OOD ( <i>Bulgaria</i> )	204009205	16-A Dr. GM Dimitrov Blvd, Stolichna Municipality, Izgrev District, ZIP code 1797, Sofia, Bulgaria
8.	O.C.N. “MOGO LOANS” SRL ( <i>Moldova</i> )	10086000260223	MD-2060, Cuza-Voda 20/A, Chisinau, Moldova
9.	Mogo Albania SH.A. ( <i>Albania</i> )	NUIS L71528013A	Rruga “Abdulla Keta”, Ndërtesa nr. 1, Hyrja nr. 2, Ap. 1, 1017, Njësia Administrative 9, Tirane, Albania
10.	OOO “Mogo Credit” ( <i>Belarus</i> )	192981714	Petra Mstislavtsa street 24, office No. 172, 220114, Minsk, Belarus
11.	AS Mogo Eastern Europe ( <i>Latvia</i> ) (previously “SIA HUB 3”)	40103964830	Skanstes iela 50, Riga, LV-1013, Latvia
12.	Risk Management Service OÜ ( <i>Estonia</i> )	14176671	Pärnu mnt 148, Tallinn, 11317, Harjuumaa, Estonia
13.	MOGO Universal Credit Organization LLC ( <i>Armenia</i> )	42, registration certificate No.266	18/2, Vardanants Street, Offices 4,5,6, 0010 Yerevan, Armenia
14.	“MOGO UKRAINE” LLC ( <i>Ukraine</i> )	41738122	Marshall Rybalka street, house 11b, office 8, Kyiv, 04116, Ukraine
15.	AS Mogo Baltics and Caucasus ( <i>Latvia</i> ) (previously “AS HUB 1”)	40203145805	Skanstes iela 50, Rīga, LV-1013, Latvia
16.	AS HUB 2 ( <i>Latvia</i> )	40203150045	Skanstes iela 50, Rīga, LV-1013, Latvia
17.	AS Mogo Central Asia (previously AS HUB 4)	40203150030	Skanstes iela 50, Rīga, LV-1013, Latvia

			(Latvia)
18.	AS Longo Group (Latvia)	42103081417	Skanstes iela 50, Rīga, LV-1013, Latvia
19.	AS Longo Latvia (Latvia)	40203147079	Skanstes iela 50, Rīga, LV-1013, Latvia
20.	UAB Longo LT (Lithuania)	304837699	Perkūnkiemio St 13-91, Vilnius, the Republic of Lithuania
21.	Longo Estonia OU (Estonia)	14554950	Harju maakond, Tallinn, Kesklinna linnaosa, Parnu mnt 22, 10141, Republic of Estonia
22.	Longo Netherlands B.V. (Netherlands)	858817986	Laaglandseweg 47, 4214KD Vuren, Netherlands
23.	Longo Georgia LLC (Georgia)	402095166	David Agmashenebeli ave 129a-4, Didube-Chugureti district, Tbilisi, Georgia
24.	Longo LLC (Armenia)	286.110.1015848	RA, Yerevan city, Tumanyan street, b.10, apt.19, Armenia
25.	Leasing Company MOGO DOOEL Skopje (North Macedonia)	7273614	Str. Anton Popov, no.1/2 mezanin-local 3, 1000 Skopje, North Macedonia
26.	AS Renti (Latvia)	40203174147	50 Skanstes Street, Riga, LV-1013, Latvia
27.	UAB Mogo Eastern Europe LT (previously "UAB HUB 3 LT") (Lithuania)	305018069	Ukmergės g. 322-1, Vilniaus, Lithuania
28.	AS Mogo Africa (Latvia)	40203182962	50 Skanstes Street, Riga, LV-1013, Latvia
29.	UAB MOGO AFRICA (Lithuania) (previously "UAB HUB 5 LT")	304991028	Vilniaus m. sav. Vilniaus m. A. Vivulskio g. 7, LT-03162, Vilnius
30.	Mogo Loans - SMC Limited (Uganda)	80020001522601	Plot 1, Kololo Hill Drive,, P.O. Box 2255, Kampala, Uganda
31.	Mogo Kenya Limited (Kenya)	PVT-BEU3ZKD	Ngong road, Prestige Mall, LR No.209/410/2/4 & 5, Nairobi, Kenya and P.O Box 29107, G.P.O Nairobi
32.	TOO Mogo Kazakhstan (Kazakhstan)	180940010094	Al-Farabi avenue, 77/2, 11B, Almaty, Republic of Kazakhstan
33.	OOO Mogo Lend (Uzbekistan)	305723654	4 Afrosiyab street, Mirabad district, Tashkent, 100031, Republic of Uzbekistan
34.	Longo Belgium BVBA (Belgium)	0881.764.642	Hendrik van Veldekesingel 150/116, 3500 Hasselt, Belgium
35.	MAXXUS GMBH (Germany)	HRB18213	Dennewartstr. 25-27, D-52068 Aachen, Germany



## Appendix 2 – Limitations of the Guarantors' Liability

### 1. **LIMITATIONS FOR LATVIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Latvia (each a “**Latvian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or prejudice any limitations required under applicable mandatory provisions of Latvian law.

### 2. **LIMITATIONS FOR ESTONIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Estonia (each a “**Estonian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or constitute unlawful provision of security within the meaning of § 159(3) of the Commercial Code of the Republic of Estonia or prejudice any limitations required under applicable mandatory provisions of Estonian law.

### 3. **LIMITATIONS FOR LITHUANIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Lithuania (each a “**Lithuanian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or constitute unlawful financial assistance within the meaning of Article 45<sup>2</sup> Paragraph 1 of the Law on Companies of the Republic of Lithuania or prejudice any limitations required under applicable mandatory provisions of Lithuanian law, to an aggregate amount not exceeding EUR 100,000,000.00.

For the purpose of execution and enforcement of this Guarantee, to the extent required to hold this Guarantee valid and enforceable before a Lithuanian court, the terms and conditions of this Guarantee shall be interpreted according to Book IV Chapter V Part III (“*Guarantee*”) of the Civil Code of the Republic of Lithuania.

### 4. **LIMITATION FOR GEORGIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Georgia (each a “**Georgian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of Georgian law, to an aggregate amount not exceeding EUR 100,000,000.00.

Notwithstanding the generality of the terms and conditions under Clause 2 of this Guarantee, for the purposes of interpretation under Georgian law, to the extent required to hold this Guarantee valid and enforceable before a

Georgian court, this Guarantee is considered as joint liability of the Georgian Guarantor together with the Issuer under the Guaranteed Documents, to which the Georgian Guarantor fully acknowledges and irrevocably consents.

Furthermore, the Georgian Guarantor hereby undertakes to, in the event of enforcement hereunder, fully cooperate with the Security Agent in order to achieve full enforcement of this Guarantee under Georgian jurisdiction and refrain from any actions (or inactions) hindering such recognition and enforcement.

## 5. LIMITATION FOR POLISH GUARANTORS

5.1 The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Poland (each a “**Polish Guarantor**”) under this Guarantee shall be limited to the extent required so that such obligations do not and cannot result in:

- (a) a reduction of the assets required for the full coverage of the total share capital as defined in, or a repayment of capital as prohibited under, Article 189 of the Polish Commercial Companies Code of 15 September 2000 (Journal of Laws of 2017, item 1577, as amended) (the “**Polish Commercial Companies Code**”); and
- (b) in direct, or indirect, financing (within the meaning of Article 345 § 1 of the Polish Commercial Companies Code) in respect of the acquisition of shares issued by such Polish Guarantor being a Polish joint – stock company to the extent the requirements under Article 345 of the Polish Commercial Companies Code have not been satisfied; and
- (c) insolvency (*niewypłacalność*) as defined by Article 11 sec.2 of the Polish Insolvency Act of 28 February 2003 (Journal of Laws of 2017, item 2344, as amended) (the “**Polish Bankruptcy Law**”).

5.2 The limitation in paragraph 5.1 (c) above will not apply if one or more of the following circumstances occurs:

- (a) an Event of Default under Condition 13.1(a) (*Non-Payment*) of the Terms and Conditions occurs and is continuing; and/or
- (b) an Event of Default other than specified in paragraph 5.2 (a) above occurs and is continuing for more than 30 days;
- (c) irrespective of whether such Event of Default occurs before or after any Polish Guarantor becomes insolvent (*niewypłacalny*) within the meaning of Article 11 sec. 2 of the Polish Bankruptcy Law, unless the declaration of its bankruptcy is filed in the appropriate authority (and for avoidance of any doubt if an Event of Default triggering the application of sub-clause 5.2 (a) above is remedied or waived, the limitation set out in paragraph 5.2 (c) shall apply until another Event of Default under Condition 13.1(a) (*Non-Payment*) of the Terms and

Conditions occurs and is continuing and/or other Event of Default occurs and is continuing for more than 30 days, respectively); or

- (d) the liabilities (*zobowiązania*) of each Polish Guarantor (other than those under the Guarantee) result in its insolvency within the meaning of Article 11 sec. 2 of the Polish Bankruptcy Law, unless the declaration of its bankruptcy is filed in the appropriate authority; or
- (e) Polish law is amended in such a manner that the insolvency of a debtor within the meaning of Article 11 sec. 2 of the Polish Bankruptcy Law (as in force on the date of this Guarantee) no longer gives grounds for the declaration of its bankruptcy (*ogłoszenie upadłości*) or no longer obliges the representatives of any Polish Guarantor to file for the declaration of its bankruptcy.

#### **6. LIMITATION FOR ROMANIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Romania (each a “**Romanian Guarantor**”) under this Guarantee shall be limited at, any time, to an aggregate amount not exceeding 9% of the Guarantor's own funds as such as defined by the Section II of the National Bank of Romania's Regulation no. 20/2009.

#### **7. LIMITATION FOR BULGARIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Bulgaria (each a “**Bulgarian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of Bulgarian law, to an aggregate amount not exceeding the value of the Bulgarian Guarantor's assets.

#### **8. LIMITATION FOR MOLDOVAN GUARANTORS**

As per the provisions of Article 1153 of the Civil Code of the Republic of Moldova, the obligations and liabilities of and the guarantee issued by a Guarantor incorporated in the Republic of Moldova (each a “**Moldovan Guarantor**”) under this Guarantee shall be limited at, any time, to an aggregate amount not exceeding EUR 100,000,000.00 and if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of Moldovan law.

#### **9. LIMITATION FOR ALBANIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Albania (each an “**Albanian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or constitute unlawful

provision of security or prejudice any limitations or preliminary approvals required under applicable mandatory provisions of Albanian law, including but without being limited to: (i) the provisions of the Albanian law no. 9901/2008 “*On entrepreneurs and commercial companies*”, (ii) the provisions of the Albanian law 9962/2006 “*On banks in the Republic of Albania*” and regulations of the Bank of Albania governing the activity and administration of risks of non-banking financial institutions in Albania and (iii) the Albanian law 110/2016 “*On bankruptcy*”.

#### **10. LIMITATION FOR BELARUSIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Republic of Belarus (the “**Belarus Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or prejudice any limitations required under applicable mandatory provisions of laws of Republic of Belarus.

Payments under the Guarantee by the Belarus Guarantor to any non-Belarusian creditor require a permission of the National Bank of the Republic of Belarus and cannot be carried out without such permission.

Furthermore, the Belarus Guarantor hereby undertakes to, in the event of enforcement hereunder, request and obtain the permission of the National Bank of the Republic of Belarus and, in any case, to fully cooperate with the Security Agent in order to achieve full enforcement of this Guarantee under Belarus jurisdiction and refrain from any actions (or inactions) hindering such recognition and enforcement.

#### **11. LIMITATION FOR ARMENIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in the Republic of Armenia (the “**Armenian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of laws and other legal acts and regulations of the Republic of Armenia, including but not limited to:

- (a) the provisions of Article 390 of the Civil Code of Armenia,
- (b) the provisions of Armenian law No HO-262 “*On Bankruptcy of banks, credit organizations, investment companies, investment fund managers and insurance companies*”,
- (c) the provisions of Clause 121 of the Decision of Central Bank No 347-N “*On adopting Regulation No 14*”.

Without prejudice to any other rights and obligations under this Guarantee, the Armenian Guarantor preserves its rights of subrogation claims against the

Issuer in accordance to the provisions of Article 394 of the Civil Code of Armenia in relation to the funds paid to the Security Agent upon Payment Demand.

## **12. LIMITATION FOR UKRAINIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Ukraine (each a “**Ukrainian Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of Ukrainian law “On limited and additional liability company”, to an aggregate amount not exceeding the value of the Ukrainian Guarantor’s assets.

All payments to be made by Guarantor under this Guarantee shall be made only upon obtaining general license of National Bank of Ukraine by Guarantor and upon complying with all the requirements the National bank of Ukraine in regard to this kind of payment.

## **13. LIMITATION FOR DUTCH GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in the Netherlands (each a “**Dutch Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or prejudice any limitations required under applicable mandatory provisions of Dutch law.

## **14. LIMITATION FOR MACEDONIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Republic of North Macedonia (each a “**Macedonian Guarantor**”) under this Guarantee shall be limited at any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of laws of North Macedonia including, but without limitations to (i) bankruptcy law of North Macedonia; (ii) law on obligations and torts of North Macedonia; (iii) international private law of North Macedonia.

## **15. LIMITATION FOR KENYAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in the Republic of Kenya (each a “**Kenyan Guarantor**”) under this Guarantee shall be limited at, any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal, mala fides (made in bad faith) or manifestly incompatible with the public policy of Kenya.

## **16. LIMITATION FOR UGANDAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Uganda (each a “**Ugandan Guarantor**”) under this

Guarantee shall be limited, at any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or otherwise unenforceable under Ugandan law.

**17. LIMITATION FOR KAZAKH GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Kazakhstan (each a “**Kazakh Guarantor**”) under this Guarantee shall be limited, at any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or otherwise unenforceable under Kazakhstan law.

**18. LIMITATION FOR UZBEK GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Uzbekistan (each a “**Uzbek Guarantor**”) under this Guarantee shall be limited, at any time, if (and only if) required and to the extent that this Guarantee would otherwise be illegal or otherwise unenforceable under Uzbekistan law.

**19. LIMITATION FOR BELGIAN GUARANTORS**

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Belgium (each a “**Belgian Guarantor**”) under this Guarantee shall be limited to an amount not exceeding the Belgian Guarantor’s net asset value from time to time as derived from its latest audited balance sheet minus the sum of the contributed capital and all reserves not distributable by law (“net assets value” as described in article 320 of the Belgian Company Code and article 5:142 of the Belgian Companies and Associations Code) and more in general if (and only if) required and to the extent that this Guarantee would otherwise be illegal or prejudice any limitations required under applicable mandatory provisions of Belgian law.

**20. LIMITATION FOR GERMAN GUARANTORS**

In the case of a Guarantor incorporated under German law as a limited liability company (*Gesellschaft mit beschränkter Haftung*) (a “**German Guarantor**”) the enforcement of the obligations of such German Guarantor under this Guarantee shall be limited if and to the extent that granting the Guarantee would constitute a prohibited payment (*verbotene Auszahlung*) within the meaning of Section 30 German Limited Liability Companies Act (*GmbH-Gesetz*).

## XXV. ADDITIONAL INFORMATION ON THE GUARANTEES, THE TRANSACTION SECURITIES AND THE SECURITY AGENT

*The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Bonds. To the extent there is any discrepancy between the Terms and Conditions and the following description, the Terms and Conditions will prevail.*

### **Transaction Securities**

The Issuer and certain material group companies have granted the Transaction Securities for the due and punctual fulfilment of the Secured Obligations. The Transaction Securities is listed below.

The following entities have issued Guarantees (together the “**Guarantors**“):

- (1) AS “mogo” (Latvia)
- (2) mogo OÜ (Estonia)
- (3) UAB “mogo LT” (Lithuania)
- (4) Mogo LLC (Georgia)
- (5) Mogo sp. z.o.o. (Poland)
- (6) Mogo IFN SA (Romania)
- (7) Mogo Bulgaria OOD (Bulgaria)
- (8) O.C.N. “MOGO LOANS” SRL (Moldova)
- (9) Mogo Albania SH.A. (Albania)
- (10) OOO “Mogo Credit” (Belarus)
- (11) AS Mogo Eastern Europe (Latvia) (previously “SIA HUB 3”)
- (12) Risk Management Service OÜ (Estonia)
- (13) MOGO Universal Credit Organization LLC (Armenia)
- (14) “MOGO UKRAINE” LLC (Ukraine)
- (15) AS Mogo Baltics and Caucasus (Latvia) (previously “AS HUB 1”)
- (16) AS HUB 2 (Latvia)
- (17) AS Mogo Central Asia (previously AS HUB 4) (Latvia)
- (18) AS Longo Group (Latvia)
- (19) AS Longo Latvia (Latvia)
- (20) UAB Longo LT (Lithuania)
- (21) Longo Estonia OU (Estonia)
- (22) Longo Netherlands B.V. (Netherlands)
- (23) Longo Georgia LLC (Georgia)

- (24) Longo LLC (Armenia)
- (25) Leasing Company MOGO DOOEL Skopje (North Macedonia)
- (26) AS Renti (Latvia)
- (27) UAB Mogo Eastern Europe LT (Lithuania) (previously "UAB HUB 3 LT")
- (28) AS Mogo Africa (Latvia)
- (29) UAB MOGO AFRICA (Lithuania) (previously "UAB HUB 5 LT")
- (30) Mogo Loans - SMC Limited (Uganda)
- (31) Mogo Kenya Limited (Kenya)
- (32) TOO Mogo Kazakhstan (Kazakhstan)
- (33) OOO Mogo Lend (Uzbekistan)
- (34) Longo Beligum BVBA (Belgium)
- (35) MAXXUS GMBH (Germany)

The following entities have granted Transaction Securities (together the "**Pledgors**" and, together with the Guarantors, the "**Security Providers**"):

- (1) AS "mogo" (Latvia)
- (2) mogo OÜ (Estonia)
- (3) UAB "mogo LT" (Lithuania)
- (4) Mogo LLC (Georgia)
- (5) MOGO Universal Credit Organization LLC (Armenia)
- (6) Mogo Bulgaria OOD (Bulgaria)
- (7) Mogo IFN SA (Romania)
- (8) O.C.N. "MOGO LOANS" SRL (Moldova)
- (9) OOO "Mogo Credit" (*Belarus*)

The Transaction Security Documents as of the Settlement Date shall consist of:

- (a) Latvian law governed security documents securing the rights and claims of the Holders under the Bonds and the Guarantee (the "**Latvian Transaction Security Documents**"), including:
  - (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), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, 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) Estonian law governed security documents (the “**Estonian Transaction Security Documents**”), including:
  - (i) an Estonian law governed commercial pledge agreement creating a first ranking commercial pledge over all the movable assets of mogo OÜ (Estonia) (the “**Estonian General Pledge Agreement**”);
  - (ii) an Estonian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in mogo OÜ (Estonia) (the “**Estonian Share Pledge Agreement**”);
  - (iii) an Estonian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by mogo OÜ (Estonia) (the “**Estonian Receivables Pledge Agreement**”);
  - (iv) an Estonian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by mogo OÜ (Estonia) and registered in Estonia (the “**Estonian Trademark Pledge Agreement**”);
  - (v) an Estonian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by mogo OÜ (Estonia) (the “**Estonian Account Pledge Agreement**”);
- (c) Lithuanian law governed security documents (the “**Lithuanian Transaction Security Documents**”), including:
  - (i) a Lithuanian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of UAB “mogo LT” (Lithuania) (the “**Lithuanian General Pledge Agreement**”);
  - (ii) a Lithuanian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in UAB “mogo LT” (Lithuania) (the “**Lithuanian Share Pledge Agreement**”);
  - (iii) a Lithuanian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by UAB “mogo LT” (Lithuania) (the “**Lithuanian Receivables Pledge Agreement**”);
  - (iv) a Lithuanian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by

UAB “mogo LT” (Lithuania) and registered in Lithuania (the **“Lithuanian Trademark Pledge Agreement”**);

- (v) a Lithuanian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by UAB “mogo LT” (Lithuania) (the **“Lithuanian Account Pledge Agreement”**);
- (d) Georgian law governed security documents (the **“Georgian Transaction Security Documents”**), including:
- (i) a Georgian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of Mogo LLC (Georgia) (the **“Georgian General Pledge Agreement”**);
  - (ii) a Georgian law governed share pledge agreement creating a first ranking pledge over all the ownership interests directly and indirectly held by the Issuer in Mogo LLC (Georgia) (the **“Georgian Share Pledge Agreement”**);
  - (iii) a Georgian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by Mogo LLC (Georgia) (the **“Georgian Receivables Pledge Agreement”**);
  - (iv) a Georgian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by Mogo LLC (Georgia) and registered in Georgia (the **“Georgian Trademark Pledge Agreement”**);
  - (v) a Georgian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by Mogo LLC (Georgia) (the **“Georgian Account Pledge Agreement”**).
- (e) Armenian law governed security documents (the **“Armenian Transaction Security Documents”**), including:
- (i) an Armenian law governed general pledge agreement creating a first ranking general pledge over all the present and future movable assets of MOGO Universal Credit Organization LLC (Armenia), other than loan receivables (the **“Armenian General Pledge Agreement”**);
  - (ii) an Armenian law governed intangible assets pledge agreement creating a first ranking general pledge over all the present and future loan receivables granted by MOGO Universal Credit Organization LLC (Armenia), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions (the **“Armenian Intangible Assets Pledge Agreement”**);

- (iii) an Armenian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in MOGO Universal Credit Organization LLC (Armenia) (the “**Armenian Share Pledge Agreement**”);
- (f) Bulgarian law governed security documents (the “**Bulgarian Transaction Security Documents**”), including:
  - (i) a Bulgarian law governed pledge agreement creating a first ranking pledge over the changing pools of all movable assets and receivables of Mogo Bulgaria OOD (Bulgaria) existing from time to time including (i) present and future loan receivables granted by Mogo Bulgaria OOD (Bulgaria), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (ii) primary bank accounts owned by Mogo Bulgaria OOD (Bulgaria) (the “**Bulgarian General Pledge Agreement**”);
  - (ii) Bulgarian law governed share pledge agreements creating first ranking pledges over all the shares directly and indirectly held by the Issuer in Mogo Bulgaria OOD (Bulgaria) (the “**Bulgarian Share Pledge Agreements**”);
- (g) Romanian law governed security documents (the “**Romanian Transaction Security Documents**”), including:
  - (i) a Romanian law governed movable hypothec agreement over certain movable assets creating a first ranking general pledge over all present and future movable assets of Mogo IFN SA (Romania) including (i) any and all present and future primary bank accounts and cash held therein, (ii) present and future loan receivables granted by Mogo IFN SA (Romania), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (iii) any and all current and future intellectual property held by Mogo IFN SA (Romania) (the “**Romanian General Pledge Agreement**”);
  - (ii) a Romanian law governed movable hypothec agreement over shares creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in Mogo IFN SA (Romania) (the “**Romanian Share Pledge Agreement**”).
- (h) Moldovan law governed security documents (the “**Moldovan Transaction Security Documents**”), including:
  - (i) a Moldovan law governed general pledge agreement creating a first ranking general pledge over all present and future claims of O.C.N. “MOGO LOANS” SRL (Moldova) including (i) present and future loan receivables granted by O.C.N. “MOGO LOANS” SRL (Moldova), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (ii) primary bank accounts owned by O.C.N. “MOGO LOANS” SRL (Moldova) (the “**Moldovan General Pledge Agreement**”);

- (ii) a Moldovan law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in O.C.N. “MOGO LOANS” SRL (Moldova) (the “**Moldovan Share Pledge Agreement**”);
- (i) Belarus law governed security documents (the “**Belarus Transaction Security Documents**”), including:
  - (i) a Belarus law governed general pledge agreement creating a first ranking general pledge over present and future movable assets of OOO “Mogo Credit” (Belarus), other than loan receivables (the “**Belarus General Pledge Agreement**”);
  - (ii) a Belarus law governed receivables pledge agreement creating a first ranking general pledge over all the present and future loan receivables granted by OOO “Mogo Credit” (Belarus), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions (the “**Belarus Receivables Assets Pledge Agreement**”);
  - (iii) Belarus law governed share pledge agreement creating first ranking pledge over all the shares directly and indirectly held by the Issuer in M OOO “Mogo Credit” (Belarus) (the “**Belarus Share Pledge Agreement**”);
- (j) Luxembourg law governed receivables pledge agreement creating a first ranking pledge over loan receivables with respect to certain loans made by the Issuer in accordance with Condition 11.6 (*Loans out*) (the “**Luxembourg Receivables Pledge Agreement**”).

In addition, the Issuer shall, subject to local law local law requirements and limitations (a) use best effort to procure that any Restricted Subsidiary of the Issuer which is not a Pledgor as of the Issue Date shall enter into transaction security documents with the Security Agent substantially equivalent to the existing Transaction Security Documents (an “**Additional Pledgor**”) and (b) grant a pledge over the shares of such Additional Pledgor to the Security Agent, within ninety (90) calendar days after any such Restricted Subsidiary becomes or has become a Company holding a Net Loan Portfolio of at least EUR 7,500,000 (a “**Material Group Companies**”).

For more information about the Transaction Securities and Guarantee, see “*Terms and Conditions of the Bonds*”.

### **Agent and Security Agent**

Greenmarck Restructuring Solutions GmbH, established in 2010 and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany will act as Agent and Security Agent. Greenmarck Restructuring Solutions GmbH is a company controlled by lawyers of hww hermann wienberg wilhelm Rechtsanwälte and managed by Mr Martin Schoebe, who is a partner at hww hermann wienberg wilhelm Rechtsanwälte.

## XXVI. TAXATION

The tax legislation in force in the jurisdiction of a potential investor, in the Issuer's country of incorporation (i.e., the Grand Duchy of Luxembourg) 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 Germany and Luxembourg with regard to the acquisition, ownership and sale of the Bonds. The following description of the German and Luxembourg 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 Germany and Luxembourg 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 in the Federal Republic of Germany

#### Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons whose residence, habitual abode, statutory seat or place of management is located in Germany) are subject to unlimited taxation (income tax or corporate income tax, in each case plus solidarity surcharge on the (corporate) income tax plus church tax and/or trade tax, if applicable). The unlimited tax liability applies to the worldwide income, regardless of its source, including interest on capital claims of any kind and, in general, capital gains. However, contrary provisions in German double taxation treaties may allocate a taxation right to another country.

#### Taxation if the Bonds are held as private assets

Should the Bonds be held as private assets by a domestic tax-resident individual investor, the interest paid on the Bonds and capital gains from the sale or redemption of the Bonds or the separate sale or redemption of interest claims are taxable at a uniform tax rate of 25 % (26,675 % including solidarity surcharge plus church tax, if applicable, the rate of which varies depending on the province). Capital gains/losses realised upon the sale or redemption of the Bonds are computed as the difference between the proceeds from the disposition or redemption (after deduction of actual expenses directly related thereto) and the issue or purchase price of the Bonds. If the respective income is paid through the banking system, which is the case if the Bonds are held in a custodial account which the owner of the Bonds maintains with a domestic branch of a German or non-German bank, a financial services institution, a

domestic securities trading business or a domestic securities trading bank, the tax will be withheld at source, generally as a final burden. If the income is paid from elsewhere, e.g., from a foreign bank, and therefore no tax is withheld at source, the taxpayer must report the respective income in his tax return. The uniform tax rate charge will then be levied by assessment, independently of all other features of the taxpayer's situation. In certain cases, the investor may apply to be assessed on the basis of its actual personal tax rate if such rate is lower than the uniform tax rate of 25 %. However, within the scope of the withholding tax, a deduction of the actual income-related expenses (in excess of a lump-sum amount of 801 EUR or EUR 1,602 for married couples assessed together) is excluded. Losses from the sale of Bonds can only be offset against other capital gains income and, if there is not sufficient other positive capital gains income, carried forward in subsequent assessment periods. Losses, which have been subject to withholding tax as set out above can only be offset or carried forward if the disbursing agent issues a corresponding (loss) certificate pursuant to Sec. 43a para. 3 sentence 4, Sec. 45a para. 2 of the German Income Tax Act (*Einkommensteuergesetz; EStG*).

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate with the respective German disbursing agent, but only to the extent that the paid interest or the capital gain does not exceed the lump-sum amount as described above. Similarly no withholding tax will be levied, if the relevant investor has submitted a non-assessment certificate issued by the relevant local tax office

#### Taxation if the Bonds are held as business assets

For German tax resident corporations and domestic commercial investors, holding the Bonds as business assets, interest payments and capital gains will be subject to (corporate) income tax and, if applicable, trade tax. Business expenses related to the Bonds generally are deductible.

The corporate income tax rate including the solidarity surcharge amounts to 15,825 %. Commercial investors not being subject to corporate income tax are taxed at their personal income tax rate which amounts up to 45%. The trade tax rate for businesses being subject to German trade tax, depends on the municipality where the business is located. Furthermore, in the case of individuals, church tax may be levied.

For these investors, only the interest paid on Bonds is generally subject to the provisions regarding German withholding tax as set out above. No withholding tax is levied in the case of the sale or redemption of the Bonds or the separate sale or redemption of interest claims if the investor is a German corporation subject to unlimited taxation or the proceeds from the Bonds qualify as income of a domestic business and the investor notifies this to the German disbursing agent by use of the officially required form. However, levied withholding tax has no settling effect, i.e. any tax withheld is credited as prepayment against the German (corporate) income tax amount.

#### *Non-residents*

Persons who are not tax resident in Germany are not subject to tax with regard to income derived from the Bonds. This does not apply, if (i) the Bonds are held as business assets of a German permanent establishment or are attributable to a

permanent representative of such person or (ii) the income from the Bonds is subject to German limited taxation for other reasons (e.g. the Bonds are, irrespective of certain exceptions, directly or indirectly secured by German real property or domestic rights subject to the real estate provisions of German civil law).

If a non-resident person is subject to tax with its income from the Bonds, similar rules apply as set out above with regard to German tax resident persons.

#### Application of the German withholding tax regime on the Issuer

The Issuer is not obliged under German tax law to levy German withholding tax in respect of payments on the Bonds. Therefore, the Issuer assumes no responsibility for the withholding of taxes at the source.

Investors are also advised to seek the reliable advice of their own tax advisor regarding the specific fiscal implications of the investment. Such advice cannot be replaced by the above explanations.

#### *German Inheritance and Gift Tax*

Generally German inheritance or gift taxes with respect to the Bonds will arise, if, in the case of inheritance tax, either the decedent or the beneficiary, or, in the case of gift tax, either the donor or the heir, is a resident of Germany or such Bond is attributable to a domestic business for which a permanent establishment is maintained or a permanent representative is appointed. This applies also to certain German citizens who previously maintained a residence in Germany.

## **2. Taxation Grand Duchy of Luxembourg**

### **Taxation of the Issuer**

The Issuer will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Issuer will be liable for Luxembourg corporation taxes. The current standard applicable rate in Luxembourg city, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is currently 24.94%. Liability for such corporation taxes extends to the Issuer's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Issuer is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented on and currently applied by the Luxembourg tax authorities.

Under certain conditions, dividends received by the Issuer from qualifying participations and capital gains realised by the Issuer on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime. The Issuer may further deduct from its taxable profits interest payments made to the holders of the Bonds to the extent that such interest exceeds any exempt income derived from participations financed with the Bonds and qualifying under the Luxembourg participation exemption regime. Furthermore, should the Bonds finance qualifying participations under the

Luxembourg participation exemption regime, any interest having reduced the taxable basis of the Issuer may be subject to recapture upon disposal of the qualifying participations by reducing the exempt amount of capital gains.

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR 75 is payable at the moment that the Articles are amended.

It is not compulsory that the Bonds be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Bonds, in accordance therewith, except that, if the Bonds are physically attached (*annexé(s)*) to a public deed or to any other document subject to mandatory registration in Luxembourg registration may be ordered which results in the application of a fixed registration duty (of EUR 12) or an ad valorem registration duty (of 0.24% calculated on the amounts mentioned in the Bonds).

Under certain conditions, the Issuer could be exempt from wealth tax (*impôt sur la fortune*) on certain assets, such as qualifying participations under the Luxembourg participation exemption regime. However the Issuer will in any case be liable for the minimum wealth tax of EUR 4,815 or a progressive minimum amount between EUR 535 and EUR 32,100, depending on the balance sheet total of the Issuer.

### **Withholding tax**

#### *Non-resident Holders of the Bonds*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of the Bonds, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident holders of the Bonds.

#### *Resident Holders of the Bonds*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Law**"), mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of the Bonds, nor on accrued but unpaid interest in respect of Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident holders of the Bonds.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20%.

If the individual Holder holds the Bonds in the course of the management of his or her private wealth, the aforementioned 20% withholding tax will operate a full discharge of income tax due on such payments.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Bonds coming within the scope of the Law would be subject to withholding tax of 20%.



## Income taxation

A holder of Bonds who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Bonds are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Bonds, except if the holder is acting in the course of the management of his/her private wealth and the 20% withholding tax has been levied on such payments in accordance with the Law.

Under Luxembourg domestic tax law, gains realised by an individual holder of the Bonds, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Bonds are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Bonds. An individual holders of Bonds, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, must however include the portion of the gain corresponding to accrued but unpaid interest in respect of the Bonds in his taxable income, except if: (a) withholding tax has been levied on such payments in accordance with the Law; or (b) the individual holders of the Bonds has opted for the application of a 20% tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State).

The 20% withholding tax is the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

Gains realised by a corporate holder of the Bonds or by an individual holder of the Bonds, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Bonds are attributable, on the sale or disposal, in any form whatsoever, of the Bonds are subject to Luxembourg income tax and municipal business tax.

A Luxembourg holder of Bonds that is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 relating to reserved alternative investment funds (the “**RAIF Law**”), provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned RAIF Law applies, will not be subject to any Luxembourg corporation taxes in respect of interest received or accrued on the Bonds, or on gains realised on the sale or disposal, in any form whatsoever, of Bonds.

Holders of Bonds will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Bonds.

Gains realised by a non-resident holder of Bonds, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Bonds are attributable, on the sale or disposal of Bonds are not subject to Luxembourg income tax.

## **Net Wealth Tax**

A corporate holder of the Bonds, whether resident of Luxembourg for tax purposes or maintaining a permanent establishment or a permanent representative in Luxembourg to which the Bonds are attributable, is subject to Luxembourg wealth tax on the Bonds, except if the holder of the Bonds is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialized investment funds, as amended, , by the RAIF Law, provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned RAIF Law applies or is a securitization company governed by the law of 22 March 2004 on securitization, as amended, or a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

Since 1 January 2016, (i) securitization companies governed by the amended law of 22 March 2004 on securitization and (ii) investment companies in risk capital (SICAR) governed by the law of 15 June 2004 are subject to an annual minimum net wealth tax. Under certain conditions, reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may be subject to minimum net wealth tax.

An individual holder of the Bonds, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on the Bonds.

## **Other Taxes**

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Bonds or in respect of the payment of interest or principal under the Bonds or the transfer of the Bonds. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Under present Luxembourg tax law, in the case where a holder of the Bonds is a resident for tax purposes of Luxembourg at the time of his death, the Bonds are included in his taxable estate, for inheritance tax purposes and gift tax may be due on a gift or donation of the Bonds, if the gift is recorded in a Luxembourg deed.

### **3. Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 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). However, if additional bonds (as described under “Terms and Conditions of the Bonds— § 15 Further Issues”) that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. 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.

While the Bonds are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A.(together the “**ICSDs**”), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Bonds by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds. The documentation expressly contemplates the possibility that the Bonds may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Bonds will only be printed in remote circumstances.

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 have otherwise have received on such Bonds.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. **Prospective investors should consult their tax advisors on how these rules may apply to payments they may receive in connection with the Bonds.**

## XXVII. LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE BONDS AND CERTAIN INSOLVENCY CONSIDERATIONS

Set out below is a summary of certain limitations on the enforceability of the Bonds and Guarantees in the jurisdictions in which the Issuer and the Pledgors are 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 and in the jurisdiction of organization of a future guarantor of the Bonds. 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 Guarantees and the Issuer and the Guarantors 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 Guarantees. Also set forth below is a brief description of certain aspects of insolvency laws in the jurisdictions of incorporation of the Issuer and the Pledgors.

### EUROPEAN UNION

Several of the Guarantors are organized under the laws of EU Member States.

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 Guarantees 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 any provider of collateral 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 Guarantors and the collateral provided 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.

## **LUXEMBOURG**

### ***Insolvency***

In the event that the Issuer 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 Issuer 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 Issuer, 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 Issuer 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 Issuer 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 Issuer in respect of the Bonds cannot be foreseen at the present time.

## **LATVIA**

### ***Applicable insolvency law***

AS “mogo” 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 AS “mogo” 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 non-secured creditor for the part of the claim not covered.

### ***Possible limitations on the enforceability of guarantees***

Under Latvian law and court practice, a Latvian company may offer collateral or issue a guarantee to secure fulfillment of a third party's liabilities, provided there is a corporate benefit for such Latvian company to do so.

It is prohibited for a Latvian company 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. The insolvency administrator is obliged to examine agreements entered into by an insolvent company in order to establish whether these transactions have been detrimental to the interests of the company and its creditors, including 1) to evaluate transactions concluded during past 3 (three) years if the inequality of mutual obligations of parties indicates that the gift has actually been made; 2) to request to declare the following transactions as invalid: (a) transactions concluded 4 (four) months prior to the day of the proclamation of the insolvency proceedings of the guarantor and thereby losses have been caused to the guarantor, (b) transactions concluded within 3 (three) years prior to the day of the proclamation of the insolvency proceedings of the guarantor and thereby losses have been caused to the guarantor, moreover the person with whom or for whose benefit the transaction has been concluded, knew or should have known of the causing of such losses, or the person shall be regarded as interested person. 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. In insolvency proceedings, the Latvian courts have declared guarantees null and void in circumstances where the guarantee secured the private loan of a shareholder (natural person) or a loan that has been used for the purchase of shares in the company which was the guarantor.

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 non-related 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.

By pledging the rights to repossess the vehicle (the claim rights) said security interest will provide the pledgee with the right to enforce the pledge rights over the rights to repossess the vehicle (i.e., either by the sale of the claim rights to repossess the vehicle, or by requesting the satisfaction of such claim rights from the debtors of the Subsidiary directly) if both the Subsidiary and the borrower are in default under the respective agreements but will not provide the pledgee with any rights to the title or use of the vehicles and the pledgee will not be entitled to take over the vehicles during the enforcement proceedings of the commercial pledge simply due to the default by the Subsidiary. A commercial pledge does not extend to (i) vessels, (ii)



financial instruments booked in the financial instruments account, (iii) claim rights arising from the agreement or other transaction document according to which the credit institution or savings and loan association has provided the loan (credit claims), (iv) financial funds, as well as (v) claims arising from cheques or bills of exchange.

### ***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) (*ekspromisorisks galvojums*) or several (*neekspromisorisks 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.

## **ESTONIA**

The fulfilment of obligations of the Guarantors under the Estonian Transaction Security Documents is subject to applicable laws relating to insolvency, bankruptcy, restructuring (*saneerimine*), force majeure, fundamental change of circumstances (*rebus sic stantibus*) and other laws capable of affecting creditors' rights generally from time to time in effect, as well as the applicable prescription terms under the Estonian law, and the parties to Estonian Transaction Security Documents would be debarred from application of Estonian Transaction Security Documents in contravention to the Estonian law.

Upon institution of bankruptcy or restructuring proceedings against the Guarantor, the courts of Estonia may acquire exclusive jurisdiction over the case involving the Guarantor, regardless of the agreement of the parties to the contrary and refuse to recognize and/or enforce as valid, final and conclusive judgment against the Guarantor in accordance with applicable EU law.

### ***Restructuring proceedings***

The ability to receive payments on the Bonds under the Guarantee issued by an Estonian entity may be negatively affected if restructuring proceedings are initiated against the Guarantor. The restructuring proceedings aim to allow companies with financial difficulties, and which have not yet discontinued their economic and commercial activities, to maintain and develop these activities, settle their debts and avoid bankruptcy. The restructuring process may be commenced provided certain conditions under Estonian law are met, including that the sustainable management of the company is likely after the restructuring. After the restructuring is commenced and until the approval of the restructuring plan, among other, most enforcement

proceedings executed by a bailiff are suspended, calculation of default interest is suspended, court proceedings against the company for the performance of payment obligations may be suspended and deciding on the commencement of bankruptcy proceedings based on a creditor's application is suspended.

The restructuring plan may include rules for the transformation of claims, including extension of payment terms and reduction of debt amounts. As a general rule, the restructuring plan must be accepted by the creditors (by way of voting) and approved by the court. Under certain conditions, the court may approve the restructuring plan even if it was not accepted by the creditors (including that less than half of the creditors voted on the restructuring plan).

The restructuring plan may be revoked by the court, should the debtor fail to perform its obligations stipulated in the restructuring plan to a material extent. In that case creditors' claims shall be restored in the initial amount.

### ***Bankruptcy proceedings***

In case of institution of bankruptcy proceedings against the Guarantor, the court will appoint a bankruptcy trustee who shall assume control over the assets of the Guarantor. Bankruptcy proceedings may result in the revocation of the Transaction Securities (in case the bankruptcy trustee brings a corresponding action and sufficiently proves to the court that granting of the Transaction Securities harmed the interests of other creditors of the Guarantor) and considering that the costs of bankruptcy proceedings shall be covered prior to satisfaction of any claims of creditors, including those of preferred rank creditors, bankruptcy proceedings may have several negative impacts.

The bankruptcy trustee may choose to dispute the pledges – grounds and arguments for doing so depend on the particular trustee (e.g. the trustee may claim in a particular case that the pledge agreement is invalid, etc.). Such decision of the bankruptcy trustee can be challenged in court by the secured creditors.

The bankruptcy trustee shall organize the sale of the assets of the company. The Guarantor holds the title to the vehicles only as security backing the performance by the borrowers towards the Guarantor under respective loan agreements (therefore the vehicles are not separately pledged to the Security Agent). Security acquisition by the lender is a form of security recognized in case-law and legal theory as well as used in practice, however, it is not specifically regulated under Estonian law and therefore there is no absolute certainty in respect to the actions to be taken by the bankruptcy trustee, the courts or other relevant parties in practice. It cannot be excluded that the bankruptcy trustee would sell the cars separately (i.e. not as security for the pledged loan receivables but as a separate unpledged assets), in which case the secured creditors would not be regarded as preferred creditors and proceeds from the sale would be distributed *pro rata* between all creditors.

Proceeds from the sale of the assets pledged as the Transaction Securities would be allocated (i) firstly, for the settlement of the costs of bankruptcy proceedings (but not more than 15 per cent from the proceeds) and (ii) secondly, for the settlement of the claims of secured creditors, but not exceeding the amount of the Transaction Securities. Accordingly, secured creditors are regarded as first rank creditors with regard to proceeds received from the sale of the pledged assets. In case the funds received from the sale of the pledged property do not cover the claims of the secured creditor, then the creditor shall acquire the status of a non-secured (i.e. second rank) creditor regarding the unsatisfied part of the claim.

The court shall determine the exact amount of the fee payable to the bankruptcy trustee. However, according to Estonian law, in any case the fee shall not be less than 1 per cent of the funds which have been received and included in the bankruptcy estate as a result of the sale and recovery of the bankruptcy estate and other activities of the bankruptcy trustee.

### ***Limitations for granting guarantees and sureties***

Under Estonian law, a person engaged in an economic or professional activity (guarantor) may, by a contract, assume an obligation (guarantee), according to which the person undertakes to perform obligations arising from the guarantee on the demand of the obligee. However, financial assistance restrictions apply. While a subsidiary may guarantee debt obligations of its parent undertaking if this does not harm the financial status of the subsidiary or the interests of creditors. The subsidiary may not guarantee debt obligations for the acquisition of its share. Violation of this restriction does not result in the nullity of the transaction, but the parent undertaking must compensate for the damage caused to the company by the provision of the security. The management of the subsidiary may also be held liable for the damages caused by the breach.

If the Estonian Guarantor goes bankrupt and the Issuer has not yet become obligated to fulfill under the Bonds, enforcement of the Guarantee in respect of that Guarantor may become restricted. Among other, (i) there is a risk that the guarantee may be revoked if insolvency proceedings of the Guarantor are initiated and (ii) even if the Guarantee is not revoked, creditors demanding performance of the guarantee obligations shall not be regarded as preferred creditors (i.e. their claims shall be satisfied *pro rata* with other unsecured creditors). The bankruptcy trustee is obliged to examine agreements entered into by an insolvent company in order to establish, among other, whether these transactions have been detrimental to the interests of the company's creditors. If the bankruptcy trustee 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 bankruptcy trustee is entitled to bring an action against the other party to the agreement for revocation of such an agreement. Revocation of the agreement is decided by the court.

Moreover, intra-group transactions, including those granting the security to parent companies, subsidiaries or affiliated companies have to be concluded on an arm's length basis.

### ***Distinction between a guarantee and a surety***

Estonian law distinguishes between a guarantee and a surety. 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 joint and several (i.e. solidary). If an obligation subject to suretyship is secured by a right of security established with regard to the property of the principal obligor or if the creditor may exercise a right of security with regard to the property of the principal obligor, the surety may, until the principal obligor is declared bankrupt, require the creditor to satisfy the claim thereof out of the pledged property to the extent of the pledge.

## LITHUANIA

UAB mogo LT is incorporated under the laws of the Republic of Lithuania. Its registered office is in Vilnius, Lithuania. As such, any bankruptcy and restructuring proceedings applicable to UAB mogo LT would be primarily governed by Lithuanian law.

Lithuanian law does not provide that commencement of insolvency proceedings may render the security void. As a general rule, all transactions entered into prior to the commencement of insolvency proceedings are treated as valid. Nevertheless, the transactions (including Transaction Securities) could be challenged following the general rules on transaction voidability, therefore it is important to note that Transaction Securities shall be perfected strictly in accordance with requirements of mandatory provisions of laws, such as obtainment of consents, delivery of required notifications, notarization, registration, etc.

### ***Bankruptcy proceedings***

Bankruptcy proceedings in the Republic of Lithuania are regulated by the Enterprise Bankruptcy Law of the Republic of Lithuania as of 20 March 2001, No. IX-216 as further amended. The EU Insolvency Regulation is also applicable.

The ability to receive payments on the Bonds under any Guarantee or obtain recovery under Transaction Securities issued by a Lithuanian Guarantor may be negatively affected by the insolvency or bankruptcy of a Lithuanian Guarantor.

Under Lithuanian law, bankruptcy may be initiated against a company that is or will be unable to pay its creditors when due or is declared insolvent. In case of insolvency, the company must be in default of its obligations and the amount defaulted must exceed 50% of the company's balance sheet asset value. Bankruptcy, *inter alia*, may be initiated by a creditor, management or the liquidator. Bankruptcy may be initiated in a judicial or out-of-court manner. If bankruptcy is initiated in the judicial manner, the procedure is supervised by the court. In case there are no judicial disputes or enforcement proceedings, 3/4 of the creditor claim holders may institute an out-of-court bankruptcy process, which is controlled by a creditor meeting. In most cases, bankruptcies are initiated in a judicial manner.

After the decision of the court or creditors' meeting to institute out-of-court bankruptcy proceedings becomes effective, a discharge of financial obligations not discharged prior to the institution of bankruptcy proceedings, including the payment of interest or payment under a Guarantee and recovery under Transaction Securities is in certain circumstances prohibited. In most cases, this usually means that a recovery under the Guarantee and/or recovery under Transaction Securities would be substantially frozen and/or delayed (in some cases for months or even years).

Institution of bankruptcy would lead to transfer of the capacities of the management of the company to a bankruptcy trustee (administrator), who would take control over the company's activities and assets. In case of judicial bankruptcy, a bankruptcy administrator is appointed by the court, which selects the bankruptcy administrator randomly from the public list following established rules. Creditors of the company may not offer, nor influence such appointment. In extra judicial process, a bankruptcy administrator can be suggested by a creditor and is appointed by the decision of a creditor meeting.

The majority creditors, i.e. those having more than 50% of creditor claims control the major decisions in the bankruptcy. The creditor meeting controls the expenses, timelines, manner of disposal of assets and adoption of other strategic bankruptcy

related decisions. If claims of holders of Bonds would amount to more than 50% of creditor claims, their representative (i.e. Security Agent) could influence the bankruptcy proceedings substantially.

After the commencement of bankruptcy proceedings, the bankruptcy administrator must examine all transactions entered into not less than 36 months before the initiation of bankruptcy proceedings, and bring actions for declaring the transactions that are contrary to the objectives of the company's activities (and/or which could have led to the disability of the company to settle with creditors) as null and void. If the court establishes that bankruptcy is deliberate, the administrator must review all transactions concluded during the period of five years prior to the initiation of bankruptcy proceedings. The bankruptcy administrator may challenge any transaction that was contrary to the objectives of the company's activities and/or had an impact on the company's ability to settle with its creditors.

The bankruptcy administrator may also challenge transactions on the basis of *actio Pauliana*, which entitles the creditor to challenge the transactions executed by a debtor where the debtor was not obliged to execute them and where they violate the rights of the creditor, while the debtor knew or should have known that the creditor's rights would be prejudiced. The transaction is deemed as violating the creditor's rights where (i) the debtor becomes insolvent due to such transaction; (ii) the debtor, being insolvent, grants preference to another creditor; and (iii) the creditor's rights are infringed in any other way. It is only possible to make a claim on the basis of *actio Pauliana* where the counterparty to the transaction was acting in bad faith, i.e. they knew that the transaction would violate the rights of the creditors.

Following appointment the bankruptcy administrator assumes control over the assets of the Guarantor. Proceeds from the sale of the assets of the Guarantor would be allocated (i) firstly, for the settlement of the costs of bankruptcy proceedings and (ii) secondly, for the settlement of the claims of creditors.

During the bankruptcy process, secured claims take priority, followed by unsecured claims. Unsecured claims are settled in the following sequence prescribed by the Lithuanian bankruptcy laws:

- (i) employee claims arising from employment, occupational injuries or death and other circumstances;
- (ii) tax claims, charges for compulsory state social insurance and health insurance, and certain other categories; and
- (iii) all other claims of creditors.

Claims of the creditors of the same rank are satisfied *pro rata*. Following satisfaction of a principal claim of a higher rank creditor, lower rank creditors can seek satisfaction. In case principal claims of all creditors are satisfied, interest and default interest/forfeiture accrued is subject to recovery in the same rank-based manner.

In the case of a Lithuanian Guarantor's bankruptcy, the claims under a Guarantee secured by pledge/mortgage would fall into the category of secured creditors, which is satisfied after settlement of the costs of bankruptcy proceedings, and prior to unsecured creditors. One shall be aware that recovery under a Guarantee or Transaction Securities might not always be made in full amount, since disposal of collateral during bankruptcy is usually considered as distressed sale which may be made under price which is lower than market price under normal circumstances.

### ***Restructuring proceedings***

The ability to receive payments on the Bonds under the Guarantee issued by or from the Transaction Security granted by a Lithuanian entity may be negatively affected if restructuring proceedings are started against the Guarantor. The restructuring proceedings aim to allow companies with financial difficulties, and which have not yet discontinued their economic and commercial activities, to maintain and develop these activities, settle their debts and avoid bankruptcy. The restructuring process may be commenced provided certain conditions under Lithuanian law are met. The procedure is initiated by the management and shareholders that shall prepare/approve the restructuring guidelines and suggest an administrator. The court must approve drafting of a restructuring plan, to be approved by creditor claim holders.

After the restructuring is commenced and until the approval of the restructuring plan. The company being restructured may not perform any liabilities or obligations that arose before the commencement of the restructuring proceedings, including the transfer of assets, the payment under a guarantee, recovery under Transaction Documents, among others. Payments made after adoption of the restructuring are affected according to the restructuring plan (that is approved by the creditors) which must comply with rules set out in law. The law sets out the same order of sequencing the payments as in bankruptcy proceedings, as discussed above. The restructuring plan must be implemented during the period not longer than four years (with a possibility to extend it by one more year with the court's approval) although the debtor need not fully settle with all the creditors during this period. If successfully completed, restructuring is terminated by the court, whereas in case of failure, the company may be subjected to bankruptcy.

### ***Limitations for granting guarantees and sureties***

A Lithuanian company may offer collateral or issue a guarantee or surety to secure the fulfillment of a third person's liabilities provided a corporate benefit exists for that Lithuanian company. Guarantees with no corporate benefit for the guarantor may be declared void by the courts. In the case of a subsidiary granting security instruments for the benefit of the parent, the benefit is construed on an ad hoc basis, i.e., an indirect benefit is possible if the subsidiary indeed receives some advantage from the received funding (e.g., the subsidiary is granted access to the financing of the group). Moreover, intra-group transactions, including those granting the security to parent companies, subsidiaries or affiliated companies have to be concluded on an arm's length basis.

The Law on Companies of the Republic of Lithuania (No. VIII-1835, Akcinių bendrovių įstatymas) prohibits limited liability companies incorporated in Lithuania from providing guarantees or granting security or other credit support for obligations of any person where such obligations are being incurred for the purpose of facilitating an acquisition of shares in the company itself (restriction on financial assistance).

Any creditor may also challenge a transaction made by a debtor on the basis of actio Pauliana if the debtor was not obliged to enter into it and such transaction violates the rights of the creditor and the debtor knew or ought to have known of such circumstances. The creditor's rights were considered violated if (a) as a result of such a transaction, the debtor became insolvent, (b) the debtor, being insolvent, granted preference to another creditor, or (c) the rights of the creditor were infringed in any other way.

A an ultra vires transaction entered into by the management bodies of a company may be declared void only if it is proved that the counterparty acted in bad faith, i.e.,

such party knew or should have known that the management bodies were acting *ultra vires*.

### ***Distinction between a guarantee and a surety***

Lithuanian law draws a distinction between a guarantee and a surety. The liability of a guarantor under a guarantee may 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. The guarantor's obligation to pay under the guarantee arises in accordance with the terms of the guarantee. The guarantor's liability is several, and the guarantor is obligated to pay under the guarantee only if, and to the extent that, the debtor fails to fulfill its obligations. The liability of the surety provider under the surety may be either joint and several or several. 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 Guarantees may be enforced only if the obligations under the Bonds have been triggered due to an Event of Default. Therefore, if the Lithuanian Guarantor goes bankrupt and the Issuer has not yet become obligated to fulfill under the Bonds, enforcement of the Guarantee in respect of that Guarantor becomes limited under Lithuanian law.

Under Lithuanian law if a pledge/mortgage covering the vehicles used by the customers, is perfected in the absence of customer consent and notification, such pledge would violate the mandatory provisions of Law (*Civilinis kodeksas*), requiring to obtain consent of the vehicle user (under leasing agreement prior to pledge over the vehicle) or notify the vehicle user (under lease agreement). Depending on the circumstance of the case, such violation could invalidate the effects sought by the pledge to certain extent, i.e. qualify the transaction as null and void in respect of the vehicles pledged without customer's consent or adjudge losses (if any) to the injured customer.

Under Lithuanian Law, rights and obligations of the lender under consumer credit agreement can only be assigned to the entity enlisted in the Public List of the Consumer Credit Providers. Agreements on leasing/lease/loan with customers could be qualified as consumer credit agreements, therefore recovery from existing and future claim rights of the Guarantor under such agreements with customers by way of in kind take-over of rights and obligations of the Guarantor under such agreements (assignment) could be restricted, unless such assignee would be include in the Public List of the Consumer Credit Providers.

If no consents of the customers were obtained prior to perfection of a pledge or they were not notified thereof properly, enforcement of general business pledge, inter alia encumbering the vehicles used by the customers, could be restricted to the extent required to give effects to contractual rights of the customers under their agreements with the Guarantor (i.e. right to use the car and acquire it into customer's ownership accordingly), provided the customer is not in default under the agreement, granting the right to terminate the agreement to the Guarantor.

## **GEORGIA**

### ***Possible limitations on the enforceability of guarantees***

Under Georgian law, parties are free to choose foreign law governing their contractual relation (Article 35.1 of the Georgian Law on Private International Law). That being said, such choice of law can be challenged provided that the law chosen disregards imperative norms of the law most closely connected with the contract in question. Since the Guarantor is under an obligation to perform under the Guarantee in question, it is possible that Georgian law can be argued most closely connected to the Guarantee by Georgian courts upon enforcement of the Guarantee.

Georgian courts as a default rule do recognize foreign court judgements and arbitral awards. However, in exceptional cases the courts may not recognise or enforce a foreign judgment if, among others, the judgment of the foreign court contradicts fundamental legal principles of Georgia. Consequently, determination of whether or not the Guarantee contradicts fundamental legal principles of Georgia can be subject to a degree of discretionary authority of a particular judicial authority.

In consideration of the above, under Georgian law, the validity of any security (collateral), including guarantee, depends on the validity and enforceability of the underlying obligation it secures. Therefore, the Guarantee given by the Georgian Guarantor can be enforced to the extent that the Bonds are valid and enforceable. The Georgian Guarantee can be enforced up to the maximum amount specified in the Guarantee, as per Article 898 of the Civil Code of Georgia. In certain cases under Georgian law, including inter alia, the release of the Issuer or other Guarantors from their respective obligations under the Bonds and the Guarantees may result in partial or full revocation of the Georgian Guarantee (Article 450 of the Civil Code of Georgia).

Furthermore, under mandatory provision of Georgian law, the Guarantor is authorized to challenge the demand of Secured Creditor(s) under the Guarantee by asserting all defenses to which the principal debtor is entitled, even in the event that the principal debtor waives its respective right of challenge (Article 899 of the Civil Code of Georgia).

### ***Insolvency***

Deregulated legal entities, including, for that matter, leasing companies, are mostly subject to general insolvency proceedings set forth in the Law of Georgia on Insolvency Proceedings (with the exception of banks, insurance companies and so on that are subject to special regulatory regime and the insolvency of which is regulated by the applicable regulatory agency).

The test of insolvency applicable to a company would be its inability of the entity to pay its debts when they fall due. Insolvency proceedings may be initiated if the company is insolvent or will or may become insolvent in near future unless adequate measures are taken to prevent its possible insolvency. Insolvency proceedings may be commenced either by company itself or by its creditors, if certain statutorily prescribed preconditions are met.

The possible available scenarios once the relevant proceedings are commenced, based on factual circumstances, are as follows: (a) bankruptcy with ensuing liquidation (deregistration from the entrepreneurial registry); (b) a rehabilitation (equivalent to reorganization/ restructuring in other jurisdictions); or (c) termination of insolvency proceedings. The option indicated in item (c) above shall be available if there are no grounds for insolvency or such grounds have been eradicated after the commencement of the insolvency proceedings or if the debtor is able to pay outstanding debts without undermining the interests of other creditors.

With respect to enforceability of the Guarantee, it should be noted that, due to the fact that, upon commencement of enforcement proceedings under Georgian law, all



payment of debts, accrual of interest and any involuntary enforcement against the Guarantor, including enforcement of the Guarantee, will be suspended.

In the case of bankruptcy of the Guarantor, the assets will be sold at an auction organized by the National Bureau of Enforcement and the creditors (including, for that matter, the Secured Creditors) will be satisfied according to the applicable statutory ranking set forth below:

- i. First rank - procedural expenses and the fees payable to the National Bureau of Enforcement;
- ii. Second rank - post insolvency liabilities incurred following the date of receipt of the petition for insolvency by the court, including tax liabilities;
- iii. Third rank - expenses related to the appointment of a custodian of the bankruptcy estate and remuneration of its services;
- iv. Fourth rank - all secured claims, including secured tax claims, including Secured Creditors (as the obligations of the Georgian Guarantor under the Guarantee is secured by Security Agreements);
- v. Fifth rank - tax liabilities, other than secured liabilities which fall under the fourth rank above;
- vi. Sixth rank - all other unsecured claims;
- vii. Seventh rank - late claims, i.e. those submitted after the expiration of the term determined by the law for filing of the claims with the bankruptcy court.

Although it is generally assumed that the Secured Creditors shall rank within Fourth rank, it is one of the practical defects of the Georgian law on Insolvency Proceedings that it in principle allows certain claims to be excluded from the mass of claims in the event that the holder of a security over insolvent company assets does not constitute a direct creditor of the said company, holding a valid monetary claim. The National Bureau of Enforcement, as insolvency administrator, is authorized to dispute security agreements of the insolvent company on the same grounds as the company itself can. However, in practice, the most frequent ground used is “action harmful to creditors”, provided that such has (a) occurred at least one year before the insolvency proceedings commenced (extendable to two years if the counterparty is related); (b) lead to company becoming insolvent or the company was insolvent at the moment of the relevant transaction and such should have been known to the counterparty; and is either (c) preventing equal and proportionate satisfaction of creditors and gives priority to a specific creditor over other creditors of the same order of priority; or (d) results in the depreciation of property to be auctioned (e.g. it was alienated for free or at a price below market).

Proceeds that are not sufficient to fully satisfy all claims of the same rank will be distributed among creditors with equal priority on *pari passu* basis *pro rata* to the outstanding amounts.

And lastly, it is noteworthy that if the company files for the insolvency proceedings and plans for rehabilitation / reorganization procedures, it shall be borne into account that full satisfaction of all existing creditors of the company is a mandatory requirement thereof.

## **ARMENIA**

### ***Possible limitations on the enforceability of guarantees***

An Armenian company may offer collateral or issue a guarantee or surety to secure the fulfilment of a third person's liabilities. According to the Civil Code of Armenia, in case for failure to fulfil or improper fulfilment by a debtor of an obligation secured by surety, the guarantor and the debtor shall bear joint liability against the creditor, unless subsidiary liability of the surety is envisaged by law or the surety agreement.

In case the guarantor is declared bankrupt, the bankruptcy administrator shall be entitled to file an application to the court for registering the creditor as a secured creditor, enabling them to receive the proceeds from the bankrupt guarantor on a priority basis compared to other registered creditors.

### ***Applicable Insolvency law***

As a credit organization incorporated under the laws of the Republic of Armenia, any insolvency proceedings applicable to MOGO Universal Credit Organization LLC would be primarily governed by Armenian law and primarily by the law of Armenia "On bankruptcy of banks, credit organizations, investment companies, investment fund managers and insurance companies" of 6 November 2001 (the "Bankruptcy law").

### ***Bankruptcy proceedings***

According to the Bankruptcy law a credit organization shall be considered insolvent where: (a) it has consumed 50 per cent or more of its main capital, or (b) it is unable to satisfy the legitimate claims of its creditors, or (c) the summary assessment of the performance of the organization is lower than the summary assessment of organization performance defined by the Board of Central Bank, or (d) it violated, at regular basis, the mandatory reserve requirements prescribed by law.

In case a company meets one of the insolvency grounds prescribed above, the Central Bank may, within a period of two weeks: (a) appoint an administration, or (b) file an application with the court for the bankruptcy of a company. The administration, if chosen by the Central Bank, operates according to the financial recovery plan. The financial recovery plan shall be approved by the Central Bank.

A company (credit organization) may be declared bankrupt exclusively by the court on the basis of an application filed by the Central Bank of Armenia. The creditors of the company (credit organization) are entitled to apply to the Central Bank with a motion to file an application with the court for the bankruptcy of a company.

The court shall examine the bankruptcy case within three days and decide either granting or rejecting the application of the Central Bank. When taking a decision on the bankruptcy of a company the court shall also appoint a liquidator. The management bodies of the company shall be obliged to hand over to the liquidator the documents, material and other valuables of the company within 15 days after the decision on the bankruptcy of the company and appointing a liquidator has been taken by the court.

The liquidator publishes in a press interim liquidation balance sheet, which shall contain information on: (a) the composition of the property of a company; (b) the list of claims of creditors, including the total amount of claims reflected in the balance sheet of the company or made against the company, the amount due to each depositor, lender or other creditor and the order of satisfaction of claims prescribed by law; (c) the results of consideration of those claims.

After completing settlements with the creditors, the liquidator draws up a liquidation balance sheet and submits it to the court. Within three days upon receiving the decision of the court on approving the liquidation balance sheet, the Central Bank makes a record in the register on revoking the registration of a company being liquidated, after which the company shall be deemed liquidated, and the activities thereof shall be deemed terminated.

## **BULGARIA**

### ***Applicable insolvency law***

As a Bulgarian limited liability company, any insolvency proceedings applicable to Mogo Bulgaria OOD would be primarily governed by Bulgarian law. The general insolvency law is the Bulgarian Commercial Act.

### ***Bankruptcy proceedings***

Under Bulgarian law, bankruptcy proceedings are triggered by either insolvency or over-indebtedness. Each of insolvency and over-indebtedness alone is sufficient to create an obligation for the company and a right for its creditors to force bankruptcy proceedings.

Insolvency constitutes the inability of a company to service debt, which has become due, arising out of (i) a commercial deal/agreement, including its validity, performance, non-performance, termination or voiding, (ii) public obligation to the state or a municipality in relation to the company's commercial activity, (iii) private state obligations, (iv) obligation to pay out labour remuneration to at least a third of the employees, which is not fulfilled for more than two months. Additionally, there is a legal presumption of insolvency when the company has ceased payment of its due debt (fully or partially) or has not published annual financial statements with the Bulgarian Commercial Register for the last three years.

Obligation for initiation. A company, which becomes insolvent or over-indebted must submit a claim for opening of bankruptcy proceedings before the competent court. The claim must be submitted by the company body, charged with management and representation. If the persons under the preceding sentence fail to fulfil this obligation, they are jointly and severally liable towards the creditors for the damages, caused by the delay.

Once the claim is submitted, the court will resolve whether to open bankruptcy proceedings. The following main scenarios are possible:

- a) If the court finds out that the company is insolvent/over-indebted, it proclaims the insolvency/over-indebtedness and its starting date, opens the bankruptcy proceedings, appoints a temporary bankruptcy administrator and imposes security measures and determines the date of the first creditors' meeting;
- b) If it is apparent that the continuation of business activities of the company would damage its assets, and upon request by the company itself, the liquidator, the bankruptcy administrator, the Bulgarian National Revenue Agency or a creditor, the court may also order the cessation of business activities together with opening of the bankruptcy proceedings;
- c) If the court finds that the available assets of the company are insufficient to cover the initial costs of the bankruptcy proceedings, the court proclaims the insolvency/over-indebtedness, allows for the establishment of distraints over

assets of the company and imposes the cessation of the company's business activity and stops the proceedings. If reinstatement of the bankruptcy proceedings is not claimed by the company or any of its creditors (which can only occur if the claimant demonstrates that the company's assets are not sufficient to cover costs) within one year of the declaration of insolvency/over-indebtedness, or if the company does not deposit the required sum for prepayment of the initiation fees, the company is terminated and deregistered from the Bulgarian Commercial Register;

- d) If the court finds that the company's inability to service its debt is merely temporary or that its assets are sufficient to cover due payments, without any risks for the company's creditors, the court may reject the claim for opening of bankruptcy proceedings;
- e) Recent developments in Bulgarian bankruptcy law introduced a procedure for stabilization of companies prior to entering into bankruptcy proceedings. The aim of the stabilization procedure is for companies to avoid bankruptcy altogether.

Bulgarian law recognizes "suspect periods" during which certain acts and transactions concluded by the company can be considered ex-lege null and void or can be revoked during the bankruptcy procedure. This concerns two groups of acts and transactions: (i) acts and transactions after the date of the court decision for commencement of bankruptcy procedure; and (ii) acts and transactions after the initial date of the bankruptcy trigger (insolvency or over-indebtedness), as determined by the court, but in certain period before the filing of the petition for commencement of bankruptcy proceedings to the court.

The bankruptcy administrator shall draw up an account for the distribution of the available amounts among the creditors holding claims in conformity with the order, the privileges, and the securities. The distribution account shall be partial to the extent that the debts have been paid in full or the entire bankruptcy estate except the non-sellable objects has been converted into cash.

In the course of the distribution of the converted into cash assets the claims are paid up in the following order:

1. claims secured by a pledge or mortgage, or attachment or interdiction registered under the procedure of the Registered Pledges Act - from the received sum from the realisation of the security;
2. bankruptcy costs;
3. right of lien claims;
4. claims arising from employment relations, which have emerged before the date of the decision for institution of bankruptcy proceedings;
5. maintenance owed by the debtor to third persons by operation of law;
6. public claims of the state and the municipalities such as taxes, customs, duties, fees, mandatory social security instalments and others, that have emerged before the date of the decision for institution of bankruptcy proceedings;
7. claims that have emerged after the date of the decision for institution of the bankruptcy proceedings and not paid on maturity;
8. the remaining unsecured claims that have emerged before the date of the decision for institution of bankruptcy proceedings.

In case the cash funds are insufficient to fully satisfy the claims, they shall be distributed among the creditors of the same rank proportionally.

In case the selling price of a pledged or mortgaged object does not completely meet the claim along with the interest incurred, the creditor shall participate for the balance in the distribution along with the creditors with unsecured claims. In case the selling price of a pledged or mortgaged object exceeds the secured claim with the interest incurred, the balance shall be included in the bankruptcy estate.

### ***Recovery procedure***

A recovery plan may be proposed by the debtor, the insolvency administrator, creditors with 1/3 of the unsecured or secured receivables, shareholders holding at least 1/3 of the share capital, 20% of the employees. The plan may envisage deferral of the debts; partial or whole forgiveness of debts; reorganization of the enterprise; other actions, including sale of the enterprise or part thereof.

In a case of adoption of the plan (approval by the creditors and confirmation by the court), the insolvency procedure is closed and the debtor may continue its business under the rules agreed upon. However, if the debtor doesn't fulfill its obligations under the recovery plan and upon request by the creditors with not less than 15% of the receivables the insolvency procedure may be re-opened.

### ***Restructuring (stabilization) proceedings***

The purpose of the company restructuring (stabilization) proceedings is to avoid initiation of bankruptcy proceedings by an agreement reached between the company and its creditors on the settlement of the company's payables, allowing its business to continue. Restructuring proceedings may be initiated for any company, which is not bankrupt, but is in imminent danger of bankruptcy. It is a procedure preceding an insolvency procedure. An imminent danger of bankruptcy shall exist, when the company, in view of its pending payments within the 6 months following the submission of its restructuring application will become unable to meet certain monetary obligations or may stop paying.

All creditors of the company, including the creditors, to whom the company has established security for third-party payables, shall be involved in the restructuring proceedings. Within the restructuring proceedings, the creditors shall reserve their rights in any provided security. The creditors related to the company, shall be satisfied only after all other creditors have been fully satisfied.

Restructuring proceedings shall be initiated upon written application filed by the company with the court. A notice for the filed restructuring application shall be recorded in the Commercial Register under the company's file. Among other documents, a detailed restructuring plan, containing the time limits, terms and methods to pay the creditors, as well as the extent of satisfaction of the creditors, any offered guarantees and securities, shall be attached to the application.

When it finds that conditions for the initiation of restructuring proceedings for the company exist, the court:

1. shall initiate restructuring proceedings for the company;
2. shall appoint a trustee and set its remuneration thereof;
3. may grant security measures by imposing attachment, interdiction or other suitable security measures;
4. may appoint a registered auditor;

5. shall set a date for an open court session to hear and endorse the company's proposed restructuring plan, not later than three months after the date of initiation of the proceedings.

Together with this decision, the court shall also announce in the Commercial Register a company's list of creditors.

The court shall reject the application on initiation of restructuring proceedings, when it finds that:

- a. the proposed restructuring plan does not meet the requirements of the law;
- b. there are grounds for initiating bankruptcy proceedings for the company;
- c. the company fails to appear at the open session scheduled to hear the application (if such is scheduled) or declines to provide any explanations requested by the court;
- d. the restructuring proposal apparently does not correspond to the company's economic and financial position;
- e. the circumstances set out in the company's application do not correspond to the details from the annual financial statements, as announced in the Commercial Register, and the remaining evidence attached to the application; and
- f. the danger of bankruptcy for the company is caused by bad faith or failure to exercise the care of the good trader in its business activity.

After initiation of the restructuring proceedings, no enforcement proceedings against the company and no enforcement action under the procedure of the Registered Pledges Act against any property of the company shall be admissible.

As of the initiation of the restructuring proceedings, all enforcement proceedings against the company and any enforcement action under the Registered Pledges Act against any property of the company shall be suspended. Security measures may be imposed under the suspended enforcement proceedings against the company. Any enforcement action prior to the suspension shall remain in effect.

The restructuring plan approved by the court shall be binding for the company and for the creditors with receivables arising prior to the date of the decision to approve the plan, including the creditors, who have not been involved in the proceedings or have voted against the plan.

#### ***Limitations on Validity and Enforceability of the Guarantees and Security.***

Guarantees. Generally, under Bulgarian law the guarantee amount could not exceed the amount of the principal obligation. It could either cover the full amount of the principal obligation, or part of it, as agreed. If the guarantor has undertaken an obligation exceeding those owed by the debtor or under more onerous terms, the guarantor's obligation shall be reduced to fall within the framework of the principal obligation.

Under Bulgarian law, as the guarantee's effect is conditional by the validity of the principal obligation, the guarantee may exist only if the principal obligation is valid. Bulgarian law differentiates the corporate guarantee from other type of guarantees (such as bank guarantee). The corporate guarantee under Bulgarian law is similar to surety. Under a guarantee contract, the guarantor undertakes an obligation before another person's creditor to be liable for the performance of the other person's

obligation. The guarantee may exist only for an actual obligation. It may be undertaken for future or conditional obligation as well.

Generally, companies are allowed to give downstream, upstream and cross-stream guarantees, although certain restrictions apply to joint stock companies.

Security. On the other hand, certain types of security require an agreement in writing between the lender and the security provider, while others require a notarial certification of the security agreement, which could take the form of a certification of the date or the signatures of the parties or the form of a notarial deed. Corporate authorisations and statements may also be necessary if the security provider is not an individual, as well as certain official certificates. Most types of security require registration with various registers, such as the Commercial Register, the Property Register, the Central Pledges Register, and the shareholder book of the company. Further formalities may also be required. For example, where receivables are pledged, a pledge notice may have to be served to the debtor; where materialised shares are pledged, the share certificates have to be handed over to the lender. If the perfection requirements are not completed, the security might be invalid or unenforceable against certain parties.

In addition, the security granted by listed companies or subsidiaries of listed companies may be invalid if it is created without the required corporate approvals.

Further, security provided for a third-party debt could be considered as having been granted without consideration. Such security is considered as being more vulnerable, as it could be challenged more easily in insolvency proceedings.

Under Bulgarian law, certain receivables rank senior to other receivables by operation of law, and are satisfied with priority. For example, enforcement costs are usually satisfied first, and certain state receivables are preferred to private unsecured receivables. As described above, special privilege rules apply within insolvency proceedings.

## **ROMANIA**

### ***Applicable insolvency law***

MOGO IFN S.A. is incorporated under the laws of the Republic of Romania. Its registered office along with its center of management and supervision is in Bucharest, Romania. As such, any insolvency proceedings applicable to MOGO IFN S.A. would be primarily governed by Romanian law.

### ***Possible limitations on the enforceability of guarantees***

The obligations and liabilities of and the guarantee issued by a Guarantor incorporated in Romania under Guarantee shall be limited at, any time, to an aggregate amount not exceeding 9% of the Guarantor's own funds as such as defined by the Section II of the National Bank of Romania's Regulation no. 20/2009.

### ***Insolvency***

According to the Romanian insolvency law, the creditors which are secured with security interests over specific movable or immovable assets of the insolvent debtor, will be paid with priority out of the proceeds resulting from the sale of such secured assets (provided that the taxes and costs related to the conservation, the administration and the sale of the secured assets will be paid first). If there are multiple security interests registered on the same asset, the secured creditors will be

paid based on a priority given by the ranking of their respective security interest, which is determined by reference to the date of each security registration.

## **MOLDOVA**

### ***Applicable insolvency law***

O.C.N. Molo Loans SRL is incorporated under the laws of the Republic of Moldova. Its registered office along with its center of management and supervision is in Chisnau, Moldova. As such, any insolvency proceedings applicable to O.C.N. Molo Loans SRL would be primarily governed by Moldovan law.

### ***Possible limitations on the enforceability of guarantees***

As per the provisions of Article 1153 of the Civil Code of the Republic of Moldova, the obligations and liabilities of and the guarantee issued by a Guarantor incorporated in the Republic of Moldova under Guarantee shall be limited at, any time, to an aggregate amount not exceeding Bonds issued and if (and only if) required and to the extent that this Guarantee would otherwise be illegal, unenforceable or prejudice any limitations required under applicable mandatory provisions of Moldovan law.

### ***Insolvency***

The Moldovan Parliament adopted a new insolvency law, which entered into force on 14 March 2013, is evolutionary rather than revolutionary, as its main goal appears to be the optimization of the existing insolvency procedures.

Following the new act's entry into force, insolvency cases fall under the competence of the court of appeal where the seat of the debtor is located. Also each such court of appeal shall hold a public register of insolvency cases.

Act No. 149 introduces more detailed and rigid rules on timing for fulfilling one or another insolvency procedure.

Generally, the law implements the following terms:

- term for examining whether to initiate the insolvency process - up to 75 business days as of acceptance for examination of the insolvency request;
- duration of the general insolvency procedure – up to 160 days as of the initiation of the insolvency process;
- duration of the bankruptcy procedure (RO procedura falimentului), including sale of debtor's assets – generally up to two years as of the initiation of the bankruptcy procedure;
- duration of the restructuring procedure (RO procedura de restructurare), including execution of the restructuring plan – generally up to three years as of confirmation of the restructuring plan by court. Such duration can be prolonged only once by the assembly of creditors, by an additional twoyear term.

The shortened timeframe for fulfilling the formal steps shall likely have a positive effect on the recovery rate.

Expedited Restructuring Procedure Pursuant to Act No. 149, a request for the initiation of the expedited restructuring procedure (RO procedura accelerata de



restructurare) may be filed by a debtor in financial difficulty (RO debtor aflat in dificultate financiara), with the insolvency court obliged to accept such request (Art. 219, 220 of the Act No. 149).

Expedited restructuring procedures allow debtors and creditors to progress from the initial observation procedure (phase) directly into restructuring procedure (i.e. directly to actions relating to the adoption and approval of the restructuring plan).

As a result of introduction of this institute, the duration of formalities preceding the debtor's restructuring plan was decreased to approximately 60 days (in total).

Act No. 149 also allows for the possibility of participants entering into a settlement agreement in connection with the insolvency process.

Under the legislation, a settlement can be concluded at any phase of the insolvency process. The decision on concluding a settlement is taken by the assembly of creditors (on behalf of creditors) and by the debtor's managing body / insolvency administrator / liquidator (on behalf of the debtor).

The Act No. 149 provides for the liability of the founders / members of the managing bodies / other decision-making officials of the debtor jointly with debtor in the event that the debtor's insolvency was caused intentionally or the insolvency was fictive (Art.15 of the Act No. 149).

Furthermore, the new law lists cases in which the debtor's founders / members of its managing bodies / other responsible persons can be jointly liable with the debtor towards creditors for failure to file for insolvency in due time (e.g., Art.138(5) of the Act No.149).

In addition, the court has been granted the right to decide on passing part of the liability on to responsible officials from the debtor, should such a partial attribution be appropriate. Such decisions may be taken only in case of actions / omissions by members of the managing bodies of the debtor that led to damages caused to debtor (Art. 248 of the Act No. 149). Furthermore, the court has been given the right to apply interim measures on persons to share liability with the debtor (Art. 249 of the Act No. 149).

## XXVIII. SELLING RESTRICTIONS

### ***General***

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantors or the Lead Manager and the Regional Sales Agents that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer, the Guarantors and the Lead Manager and the Regional Sales Agents to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

In addition, the Lead Manager and the Regional Sales Agents and their affiliates have performed, and may in the future perform, various financial advisory, investment banking and/or commercial banking services for, and may arrange loans and other non-public market financing for and enter into derivative transactions with, the Issuer, the Guarantors and their respective affiliates, for which they have and may receive customary fees.

### ***United States***

The Bonds and the Guarantees have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

### ***United Kingdom***

No invitation or inducement to engage in investment activity (within the meanings of Section 21 of the FSMA received by the Managers and the Regional Sales Agents in connection with the issue or sale of the Bonds may be communicated or caused to be communicated except in circumstances in which Section 21(1) of the FSMA does not apply to the Managers and the Regional Sales Agents. All applicable provisions of the FSMA must be complied with respect to anything done or to be done by the Managers and the Regional Sales Agents in relation to any Bonds in, from or otherwise involving the United Kingdom.

### ***European Economic Area***

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. In addition, the Bonds provide for debt obligations of the Issuer and the Guarantors with no exposure by investors to reference values or assets other than the assets and business operations of the Issuer and the Guarantors. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in

the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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### XXX. DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference into this Prospectus. They are published on the Issuer's website at <https://mogo.finance/> and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Delegated Regulation (EU) 2019/980, of 14 March 2019, supplementing Regulation (EU) 2017/1129.

1. Annual Report 2017 containing the audited consolidated financial statements of Mogo Finance as of and for the fiscal year ended 31 December 2017 prepared in accordance with IFRS and the independent auditor's report thereon.

Link: <https://mogo.finance/wp-content/uploads/2018/08/2017-Mogo-Finance-S.A.-Consolidated-Annual-Report-Group.pdf>.

- Consolidated Statement of Comprehensive Income Annual Report 2017 page 6/49
- Consolidated Statement of Financial Position Annual Report 2017 page 7/49
- Consolidated Statement of Changes in Equity Annual Report 2017 page 9/49
- Consolidated Statement of Cash Flows Annual Report 2017 page 10/49
- Notes to the Consolidated Financial Statements Annual Report 2017 page 11/49
- Independent Auditors' Report Annual Report 2017 page 46/49

2. Annual Report 2018 containing the audited consolidated financial statements of Mogo Finance as of and for the fiscal year ended 31 December 2018 prepared in accordance with IFRS and the independent auditor's report thereon.

Link: [https://mogo.finance/wp-content/uploads/2019/06/2019-05-21-Mogo\\_Finance\\_FS\\_2018\\_signed\\_audited.pdf](https://mogo.finance/wp-content/uploads/2019/06/2019-05-21-Mogo_Finance_FS_2018_signed_audited.pdf).

- Consolidated Statement of Comprehensive Income Annual Report 2018 page 8/86
- Consolidated Statement of Financial Position Annual Report 2018 page 9/86
- Consolidated Statement of Changes in Equity Annual Report 2018 page 11/86
- Consolidated Statement of Cash Flows Annual Report 2018 page 12/86
- Notes to the Consolidated Financial Statements Annual Report 2018 page 13/86

- Independent Auditors' Report Annual Report 2018 page 79/86
3. Annual Report 2017 containing the audited stand-alone annual accounts of Mogo Finance as of and for the fiscal year ended 31 December 2017 prepared in accordance with Luxembourg legal and regulatory requirements and the independent auditor's report thereon.
- Link: <https://mogo.finance/wp-content/uploads/2019/09/Mogo-Finance-Annual-accounts-2017-Signed-with-auditors-report.pdf>.
- Balance Sheet Annual Report 2017 page 3/22
  - Profit and loss account Annual Report 2017 page 8/22
  - Notes to the account Annual Report 2017 page 10/22
  - Independent Auditors' Report Annual Report 2017 page 20/22
4. Annual Report 2018 containing the audited stand-alone annual accounts of Mogo Finance as of and for the fiscal year ended 31 December 2018 prepared in accordance with Luxembourg legal and regulatory requirements and the independent auditor's report thereon.
- Link: [https://mogo.finance/wp-content/uploads/2019/05/2019-05-23-Signed-report\\_Mogo-Finance-S.A.\\_311218.pdf](https://mogo.finance/wp-content/uploads/2019/05/2019-05-23-Signed-report_Mogo-Finance-S.A._311218.pdf).
- Balance Sheet Annual Report 2018 page 8/25
  - Profit and loss account Annual Report 2018 page 13/25
  - Notes to the annual accounts Annual Report 2018 page 15/25
  - Independent Auditor's Report Annual Report 2018 page 3/25
5. Interim Report 2019 containing the interim consolidated financial information of Mogo Finance as of and for the six months ended 30 June 2019. The interim consolidated financial information is unaudited and consists of the consolidated statement of financial position as at 30 June 2019 and the related consolidated statement of comprehensive income and the consolidated cash flow statement for the six months ended 30 June 2019.
- Link: [https://mogo.finance/wp-content/uploads/2019/09/LUX\\_consolidated\\_6M\\_2019\\_FINAL-signed.pdf](https://mogo.finance/wp-content/uploads/2019/09/LUX_consolidated_6M_2019_FINAL-signed.pdf).
- Interim unaudited Condensed Consolidated Statement of Comprehensive Income Interim Report 2019 page 4/27
  - Interim unaudited Condensed Consolidated Statement of Financial Position Interim Report 2019 page 5/27
  - Interim unaudited Condensed Consolidated Statement of Cash Flows Interim Report 2019 page 8/27

6. Annual Report 2017 containing the audited stand-alone annual accounts of AS “mogo” as of and for the fiscal year ended 31 December 2017 prepared in accordance with IFRS and with regulations governing the preparation of the financial statements and the report of the Board of Directors in Latvia.

Link: [https://mogo.finance/wp-content/uploads/2019/10/2017\\_ar\\_en\\_eur\\_00\\_ias.pdf](https://mogo.finance/wp-content/uploads/2019/10/2017_ar_en_eur_00_ias.pdf).

- Statement of Other Comprehensive Income Annual Report 2017 page 7/43
- Statement of Financial Position Annual Report 2017 page 8/43
- Statement of Cash Flows Annual Report 2017 page 10/43
- Statements of Changes in Equity Annual Report 2017 page 11/43
- Notes to the Financial Statements Annual Report 2017 page 12/43
- Independent Auditors' Report Annual Report 2017 page 39/43

7. Annual Report 2018 containing the audited consolidated financial statements of AS “mogo” as of and for the fiscal year ended 31 December 2018 prepared in accordance with IFRS and with regulations governing the preparation of the financial statements and the report of the Board of Directors in Latvia.

Link: [https://mogo.finance/wp-content/uploads/2019/09/2018\\_AS\\_mogo\\_CONSOLIDATED-2.pdf](https://mogo.finance/wp-content/uploads/2019/09/2018_AS_mogo_CONSOLIDATED-2.pdf).

- Consolidated Statement of Comprehensive Income Annual Report 2018 page 7/61
- Consolidated Statement of Financial Position Annual Report 2018 page 8/61
- Consolidated Statement of Changes in Equity Annual Report 2018 page 10/61
- Consolidated Statement of Cash Flows Annual Report 2018 page 11/61
- Notes to the Consolidated Financial Statements Annual Report 2018 page 12/61
- Independent Auditors' Report Annual Report 2018 page 57/61

8. Annual Report 2018 containing the audited stand-alone annual accounts of AS “mogo” as of and for the fiscal year ended 31 December 2018 prepared in accordance with IFRS and with regulations governing the preparation of the financial statements and the report of the Board of Directors in Latvia.

Link: [https://mogo.finance/wp-content/uploads/2019/09/2018\\_AS\\_mogo\\_STANDALONE.pdf](https://mogo.finance/wp-content/uploads/2019/09/2018_AS_mogo_STANDALONE.pdf) .

- Statement of Comprehensive Income Annual Report 2018 page 7/61
  - Statement of Financial Position Annual Report 2018 page 8/61
  - Statement of Cash Flows Annual Report 2018 page 11/61
  - Statements of Changes in Equity Annual Report 2018 page 10/61
  - Notes to the Financial Statements Annual Report 2018 page 12/61
  - Independent Auditors' Report Annual Report 2018 page 57/61
9. Interim Report 2018 of AS "mogo" containing the results for the six months ended 30 June 2018. The quarterly financial reports are unaudited and consist of the statement of financial position as at 30 June 2018 and the related statement of comprehensive income and the cash flow statement for the six months ending 30 June 2018.
- Link: [https://mogo.finance/wp-content/uploads/2019/09/2018\\_q2\\_en\\_eur\\_00\\_ias.pdf](https://mogo.finance/wp-content/uploads/2019/09/2018_q2_en_eur_00_ias.pdf).
- Interim Condensed Statement of Profit or Loss and Other Comprehensive Income Interim Report 30 June 2018 page 6/13
  - Interim Condensed Statement of Financial Position Interim Report 30 June 2018 page 7/13
  - Interim Condensed Statement of Cash Flows Interim Report 30 June 2018 page 9/13
  - Interim Condensed Statement of Changes in Equity Interim Report 30 June 2018 page 10/13
  - Notes to the Interim Condensed Financial Statements Interim Report 30 June 2018 page 11/13
10. Interim Report 2019 containing the consolidated results of Mogo Finance and the stand-alone results of AS "mogo" for the six months ended 30 June 2019. The quarterly financial reports are unaudited and consist of (i) the consolidated statement of financial position of Mogo Finance as at 30 June 2019 and the related consolidated statement of comprehensive income and the consolidated cash flow statement for the six months ending 30 June 2019 and (ii) the statement of financial position as at 30 June 2019 and the related statement of comprehensive income for the six months ending 30 June 2019 of AS "mogo".
- Link: [https://mogo.finance/wp-content/uploads/2019/09/190814\\_Mogo-Finance\\_6M\\_report\\_EN.pdf](https://mogo.finance/wp-content/uploads/2019/09/190814_Mogo-Finance_6M_report_EN.pdf).
- Interim Condensed Statement of Comprehensive Income of Mogo Finance Interim Report 2019 page XVII/XX
  - Interim Condensed Statement of Financial Position of Mogo Finance Interim Report 2019 page XIII-XVI /XX
  - Interim Condensed Statement of Cash Flows of Mogo Finance Interim Report 2019 page XVIII/XX
  - Interim Statement of Profit or Loss and Interim Report 2019 page



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• Statement of Financial Position of AS “mogo”	Interim Report 2019 page – XX-XXI/XX

## **ISSUER**

**Mogo Finance**  
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Grand Duchy of Luxembourg

## **LEAD MANAGER AND SOLE BOOKRUNNER**

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150 Cheapside  
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## **REGIONAL SALES AGENT**

**AS BlueOrange Bank**  
6 Smilšu Street  
Riga LV-1050

**GOTTEX Brokers SA**  
Avenue de Rhodanie 48  
1007 Lausanne

## **ISSUING AND PAYING AGENT AND CALCULATION AGENT**

**Banque Internationale à Luxembourg S.A.**  
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## **HOLDERS' AGENT AND SECURITY AGENT**

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## **LEGAL ADVISERS**

*To the Lead Manager and Co-Managers  
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*To the Issuer and Security Providers as  
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## **AUDITORS TO THE ISSUER**

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