

APPLICATION FOR RECEIPT OF NOTE HOLDERS' CONSENT ON AMENDMENTS TO SIA "ExpressCredit" NOTES PROSPECTUS (ISIN: LV0000801322)

Riga, 11 October 2019

1. Invitation to the Note holders

On 3 October 2019 the shareholders' meeting of SIA "ExpressCredit", registration number: 40103252854 (hereinafter – **Issuer**), approved amendments to the Notes Prospectus (ISIN: LV0000801322) dated 17 March 2014 (hereinafter – **Prospectus**) as set out in Schedule 1 hereto.

In order for the amendments to the Prospectus become effective, the Issuer in accordance with Clause 5.6 of the Prospectus is obliged to receive a consent (waiver) from the Note holders who own at least 51% of the outstanding Notes. Notes owned by the Issuer and/or its affiliated persons (subsidiaries, shareholders, management or employees) are not eligible to participate in the voting.

The Issuer hereby asks the Note holders to grant their consent for amendments to the **Prospectus** as set out in Schedule 1 hereto.

Unless it is defined otherwise in this application, the capitalized terms and expressions used in this application shall have the same meaning as assigned to them in the **Prospectus** and amendments to the **Prospectus** as set out in Schedule 1 hereto.

2. Description of the amendments

The Issuer wishes to make amendments to the Prospectus, by

- (a) securing Notes issue with a commercial pledge over all assets of the Issuer and its current and future subsidiaries as an aggregation of property at the moment of pledging as well as its future components and a commercial pledge over all receivables of the Issuer and its current and future subsidiaries at the moment of pledging as well as future components;
- (b) introducing Collateral Agent role and its rights and obligations, procedures for establishment, release and enforcement of Collateral and others;
- (c) amending "Event of default" and "Covenants" clauses.

Full amendments to the Prospectus are set out in Schedule 1 hereto. As original version of Prospectus is in Latvian, amendments to the Prospectus are also drafted in Latvian. Annexes to Schedule 1 are available upon request.

3. Amendment fee

If as a result of the voting of the Note holders the amendments proposed to the Prospectus are approved, the Issuer agrees within 10 (ten) Business Days after publication of the Issuer's notice on entry into force of the amendments to the Prospectus to pay each Note holder, who owns the Notes in accordance with a Note holders' list prepared by Nasdaq CSD SE on 18 October 2019, **an amendment fee in the amount of 0.5% (five tenths of per cent)** from the Nominal Value of the Notes owned by the respective Note holder, by withholding the tax provided in the legal acts of the Republic of Latvia.

The aforementioned amendment fee shall be paid with intermediary of Nasdaq CSD SE in accordance with applicable rules of Nasdaq CSD SE.

4. Justification of the amendments

By being one of the first Latvian consumer lending companies to use local capital markets as a source of funding, the Issuer issued its first corporate notes in November 2013 with 5-year EUR 5 million issue, which

was pre-maturely repaid in May 2018. In line with investor interest, the Issuer issued follow-up bond tranches in March 2014 EUR 2.1 million and in October 2016 EUR 5 million issue.

In order to use capital markets further and create a secured notes structure, the Issuer wants to unify rank and covenants of the outstanding notes issues, in order to create a common framework for current and future notes issuance.

As per the forecast published by the Issuer, the Issuer plans to increase net loan portfolio to EUR 28.2 million in 2019 (40% year-over-year growth) and reach EUR 34.8 million by the end of 2020 (24% year-over-year growth) therefore stable, and long-term funding strategy becomes a focal point of such growth.

By offering to securitize LV0000801322 Notes to Note holders, the Issuer wants to provide a Collateral to current Note holders and amend Prospectus, in order to allow the issuance of additional secured notes issue under the proposed framework.

In the light of the above considerations, the Issuer invites the Note holders to support the proposed amendments to the Prospectus.

5. Note holders who are entitled to vote

Under Clause 6.6 of the Prospectus only those Note holders included in the Note holders' list received by the Issuer from the LCD (currently - Nasdaq CSD SE) on a particular date are entitled to vote on amendments to the Prospectus provided in this application.

In accordance with Clause 6.6 of the Prospectus the Note holders, who are the Note holders on the 5th (fifth) Business Day after the placement of the application on the website of akciju sabiedrība "Nasdaq Riga" (hereinafter – **Nasdaq Riga**), namely, on **18 October 2019**, shall be included in the list of Note holders entitled to vote on amendments to the Prospectus provided in this application.

6. Voting procedure

In order to vote on amendments to the Prospectus provided in this application, the Note holders shall duly complete, sign and submit to the Issuer the Note holders' voting forms.

A voting form is attached in Schedule 2 hereto.

The Note holder shall complete the Note holders' voting form in printed form, by specifying the required information in respect of the Note holder. If the Note holder agrees to the proposed amendments to the Prospectus, then the Note holder shall select the voting option "for" and underline or encircle it. If the Note holder does not agree to the proposed amendments to the Prospectus, the Note holder shall select the voting option "against" and underline or encircle it. If neither the voting option "for", nor the voting option "against" is selected or both voting options are selected in the Note holders' voting form, it shall be considered that the Note holder has voted against the proposed amendments to the Prospectus.

If the Note holder is a private individual, the Note holders' voting form shall be signed either by the Note holder in person or by his/her authorised representative. If the Note holder is a legal entity, the Note holders' voting form shall be signed by the official (or officials) of the Note holder, who is (are) duly authorised and whose representation rights are registered in the relevant commercial register, or another person, whom the Note holder has duly authorised. If the Notes are held through a Custodian, such Custodian may vote on behalf of the Note holder, based on financial instruments' account agreement and Note holders consent.

The Note holders may vote on amendments to the Prospectus provided in the Schedule 1, by sending the duly completed and signed Note holders' voting forms to the Issuer by post or courier to the following

address of the Issuer: SIA "ExpressCredit", Raunas str. 44k-1, Riga, LV-1039, Latvia, or by delivering them in person to the Issuer at the aforementioned address at business days during the business hours of the Issuer from 9:00 till 17:00 o'clock.

When determining the Note holders' votes on amendments to the Prospectus, such Note holders' voting forms shall be taken into account, which are sent to the Issuer by post or by courier to the above-mentioned postal address of the Issuer or delivered to the Issuer in person at the aforementioned address.

7. Term for submission of voting forms

The Note holders must submit their duly completed and signed Note holders' voting forms to the Issuer in accordance with the procedure prescribed in Section 6 of this application by **25 October 2019 (inclusive)**.

The Note holders' voting forms sent by courier, post, or delivered in person to the Issuer, shall be delivered to the address of the Issuer specified in Section 6 of this application by 17:00 o'clock on 25 October 2019.

The Note holders' voting forms dated or received after 25 October 2019 shall not be taken into account, irrespective of the time of actual receipt thereof by the Issuer.

8. Non-submission of voting forms


It shall be considered that any Note holder, who has not submitted his/her Note holders' voting form within the term specified in Section 7 of this application, has voted against the proposed amendments to the Prospectus.

9. Contact information of the Issuer

Questions and other information with respect to this application, including, but not limited to the essence of the proposed amendments to the Prospectus or approval of amendments/voting procedures shall be addressed to the following contact person of the Issuer:

Kristaps Bergmanis
Member of the Board, CFO
SIA "ExpressCredit"
Raunas str. 44k-1, Riga, LV-1039, Latvia
Tel.: +371 29144168
E-mail: kristaps.bergmanis@expresscredit.lv

On behalf of the Issuer:



Agris Evertovskis
Chairman of the Board of SIA "ExpressCredit"