

# APPLICATION FOR RECEIPT OF NOTEHOLDERS' CONSENT ON AMENDMENTS TO AS "mogo" NOTES PROSPECTUS (ISIN: LV0000801363)

Riga, 6 March 2019

## 1. Invitation to the Noteholders

On 13 February 2019 the shareholders' meeting of AS "mogo", registration number: 50103541751 (hereinafter – the **Issuer**), approved amendments to the Notes Prospectus of the Issuer (ISIN: LV0000801363) dated 13 October 2014 (hereinafter – the **Prospectus**) as set out in Schedule 1 hereto.

In order for the amendments to the Prospectus become effective, the Issuer in accordance with Clause 6.6. of the Prospectus is obliged to receive a consent (waiver) from the Noteholders who own more than 50% of the outstanding Notes (excluding the Notes owned by the Issuer).

The Issuer hereby asks the Noteholders 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.

## 2. Description of the amendments

It is stipulated in Clause 5.9. of the Prospectus that the Issuer will make the nominal amount payments of EUR 125.00 (one hundred twenty-five euros zero cents) per Note once a quarter - on 31 March, 30 June, 30 September, and 31 December, starting from 30 June 2019, in accordance with a schedule of repayment of the Notes set out in Clause 5.9. of the Prospectus. Maturity date of the Notes stipulated in the Prospectus is 31 March 2021.

The Issuer wish to make amendments to the Prospectus, by stipulating that the nominal amount of the Notes shall be fully repaid in one instalment on 31 March 2021, replacing quarterly instalments of the nominal amount of the Notes. Detailed amendments to the Prospectus are set out in Schedule 1 hereto.

## 3. Amendment fee

If as a result of the voting of the Noteholders 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 Noteholder, who in accordance with a list prepared by Nasdaq CSD SE is a Noteholder on **13 March 2019** and who has voted "for" the amendments proposed to the Prospectus, **an amendment fee in the amount of 1 % (one per cent)** from the Nominal Value of the Notes owned by the respective Noteholder, 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

Since issuance of the Notes in 2014 (approximately two years after commencement of the Issuer's business operations), when the Issuer was just in a development stage of its business operations, the business volume of the Issuer has grown substantially, by achieving significant profit and return rates.

According to the unaudited financial data of the Issuer for 2018, the Issuer's net loan portfolio as of 31 December 2018 has reached EUR 36.7 million, compared to EUR 21.1 million as at 31 December 2014. As at 31 December 2018, the cumulative profit of the Issuer amounts to EUR 10.6 million. However, the



Issuer's net interest income in 2018 exceeds EUR 11,4 million compared to the Issuer's net interest income of EUR 4.2 million in 2014.

However, according to unaudited financial data of Mogo Finance S.A. group for 2018, Mogo Finance S.A. group's net loan portfolio as of 31 December 2018 has reached EUR 140.3 million, compared to EUR 56.2 million as at 31 December 2015. The cumulative profit of Mogo Finance S.A. group as at 31 December 2018 amounts to EUR 14 million. However, Mogo Finance S.A. group's net interest income in 2018 exceeds EUR 41.4 million, compared to Mogo Finance S.A. group's net interest income of EUR 13.6 million in 2015.

The abovementioned financial data of the Issuer and Mogo Finance S.A. group demonstrate strong performance, allowing the Issuer to become a clear leader in its industry in Latvia. Under these circumstances, the risk and return profile of the Issuer, when looking from the perspective of the Noteholders, has become considerably stronger than it was at the time of the Note issue.

In June and November 2018 Mogo Finance S.A. issued bonds for a total amount of EUR 75 million in the international capital markets, which are now listed in the Open Market of the Frankfurt Stock Exchange, thus attracting a significant number of international investors. The obligations arising from the bonds are fully fulfilled, by making all the payments and providing the investors all required reports.

The Issuer highly appreciates the trust and support of the Noteholders provided to the Issuer over the years, by financing the activities of the Issuer and to a great extent helping to ensure the Issuer's current performance and its market position. However, in the Issuer's opinion the quarterly payment schedule of the nominal amount of the Notes provided for in Clause 5.9 of the Prospectus would hinder further growth of the Issuer and Mogo Finance S.A. group. If the nominal amount of the Notes would be fully repaid in one instalment on 31 March 2021, the funds intended for the quarterly payments would be invested in expansion of the business of the Issuer and Mogo Finance S.A. group, thereby strengthening the financial position of the Mogo Finance S.A. group and the Issuer itself.

The financial position of the Issuer and Mogo Finance S.A. group is convincingly stable, as evidenced not only by the published financial data and development indicators of the Mogo Finance S.A. group companies, but also by the price of the Notes in the secondary market, the significant demand of Mogo Finance S.A. EUR 50 million bonds issued in July 2018, as well as EUR 25 million bonds issued in November 2018. In the light of the above, the proposed amendments are not related to any potential restructuring, but are aimed at promoting further growth of the Issuer and Mogo Finance S.A. group.

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

#### **5. Noteholders who are entitled to vote**

Under Clause 6.6 of the Prospectus only those Noteholders included in the Noteholders' 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 fourth paragraph of Clause 6.6 of the Prospectus the Noteholders, who are the Noteholders on the 5th (fifth) Business Day after this application is posted on the website of Akciju sabiedrība "Nasdaq Riga" (hereinafter – **Nasdaq Riga**), namely, on **13 March 2019**, shall be included in the list of Noteholders 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 Noteholders shall duly



complete, sign and submit to the Issuer the Noteholders' voting forms.

A voting form is attached in Schedule 2 hereto.

The Noteholder shall complete the Noteholders' voting form in printed form, by specifying the required information in respect of the Noteholder. If the Noteholder agrees to the proposed amendments to the Prospectus, then the Noteholder shall select the voting option "for" and underline or encircle it. If the Noteholder does not agree to the proposed amendments to the Prospectus, the Noteholder 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 Noteholders' voting form, it shall be considered that the Noteholder has voted against the proposed amendments to the Prospectus.

If the Noteholder is a private individual, the Noteholders' voting form shall be signed either by the Noteholder in person or by his/her authorised representative. If the Noteholder is a legal entity, the Noteholders' voting form shall be signed by the official (or officials) of the Noteholder, who is (are) duly authorised and whose representation rights are registered in the relevant commercial register, or another person, whom the Noteholder has duly authorised. If the Notes are held through a nominee, such nominee must provide a proxy to the Noteholder in order for such Noteholder to participate in the voting. A nominee may also participate in the voting and vote on behalf of such Noteholder in accordance with the Noteholder's instructions.

A form of proxy is attached in Schedule 3 hereto.

The Noteholders' voting forms that have been signed by Noteholders' representatives acting on a basis of a proxy will be accepted only on condition that an original or certified copy of the relevant proxy has been attached to the Noteholder's voting form.

The Noteholders may vote on amendments to the Prospectus provided in this application, by sending the duly completed and signed Noteholders' voting forms to the Issuer by post or courier to the following address of the Issuer: AS "mogo", Skanstes iela 50, Riga, LV-1013, 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 Noteholders' votes on amendments to the Prospectus, only such Noteholders' 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. The Noteholders' voting forms submitted in electronic form shall not be taken into account, when counting the votes.

#### **7. Term for submission of voting forms**

The Noteholders must submit their duly completed and signed Noteholders' voting forms to the Issuer in accordance with the procedure prescribed in Section 6 of this application by **28 March 2019 (inclusive)**.

The Noteholders' voting forms sent by post shall be submitted to the post office by the end of business hours of the post office on **20 March 2019** and the envelope in which the voting form is sent to the Issuer shall bear the postal stamp dated 20 March 2019 or before. The Noteholders' voting forms sent by courier shall be delivered to the address of the Issuer specified in Section 6 of this application by 17:00 o'clock on **28 March 2019**.

The Noteholders' voting forms dated or received after 28 March 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 Noteholder, who has not submitted his/her Noteholders' 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:

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Group CFO  
AS "mogo"  
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On behalf of the Issuer:



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Juris Pārups  
Chairman of Management Board of AS "mogo"