

# **BASE PROSPECTUS**

Dated 15.01.2026

**SIA "Nectaro Bravo"**  
*(incorporated as a limited liability company  
 company and registered in the Republic of Latvia with registration number 40203509066 and  
 LEI: 984500ZIBSCE8D57EJ77)*

### **EUR 10 000 000.00 Note Programme**

Under the Programme described in this Base Prospectus, the Issuer may from time-to-time issue Notes. The Notes will be distributed by way of a public offer.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other applicable terms and conditions not contained in this Base Prospectus which are applicable to the Notes will be set out in the relevant Final Terms.

Notes will be issued in registered form. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 10 000 000.00 (ten million euro) (or its equivalent in other currencies).

Any payment under the Notes is dependent on, and limited to, a pool of certain Loans, which in turn are dependent on a pool of certain Borrower's Loans.

This Base Prospectus has been approved as a base prospectus by Latvijas Banka (the Central Bank of Latvia), as competent authority under the Prospectus Regulation. Latvijas Banka has only approved this Base 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 or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the appropriateness and suitability of investing in the Notes.

This public offer of the Notes is made in Latvia, Germany, Austria, Italy, Netherlands and Spain under this Base Prospectus.

This Base Prospectus will be valid for a period of up to 12 months after its approval by Latvijas Banka. The Issuer will prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes in the event of any significant new factor, material error or inaccuracy relating to the information contained in this Base Prospectus which may affect the assessment of any Notes. The obligation to prepare a supplement to this Base Prospectus or to publish a new Base Prospectus in the event of any significant new factor, material error or inaccuracy shall cease upon the expiry of the term of this Base Prospectus.

**The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed in Section 2 (RISK FACTORS).**

Capitalised terms used in this Base Prospectus have the meaning given to them in Section GLOSSARY.

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## GLOSSARY

<b>API</b>	application programming interface to exchange and transmit information and data between the Issuer, the Loan Originator, the Sponsor and Nectaro
<b>Base Prospectus</b>	this base prospectus, including documents attached herein or incorporated herein by reference, as may be amended, updated and supplemented from time to time
<b>Borrower</b>	a third party with whom the Loan Originator has concluded Borrower's Loan Agreement and to whom Loan Originator has issued Borrower's Loan
<b>Borrower's Loan</b>	funds which in compliance with the procedures set out in the Borrower's Loan Agreement the Loan Originator has issued to the Borrower
<b>Borrower's Loan Agreement</b>	the credit facility agreement between the Loan Originator and the Borrower as specified in the related Loan Agreement, according to which the Loan Originator prior to conclusion of the related Loan Agreement has issued to the Borrower the funds stipulated in such Loan Agreement
<b>Cooperation Agreement</b>	the cooperation agreement between the Issuer, the Loan Originator, the Sponsor and Nectaro regarding the Notes
<b>Credit Facility Agreement</b>	the credit facility agreement No. 2023/12-MD between the Loan Originator as a borrower and the Sponsor as a lender whereby the said parties agree on how the Loan Agreements are concluded and on the terms and conditions of disbursement and repayment of the Loans issued to the Loan Originator thereunder
<b>Early Repayment Obligation</b>	has the meaning set out in the Section 4.1.5 (The Early Repayment Obligation)
<b>Final Terms</b>	any duly completed final terms in the form set out in Section 13
<b>Investment Account</b>	Investor's separate account with Nectaro
<b>Investor</b>	person registered and accepted as investor by Nectaro on the Platform
<b>Issuer</b>	SIA "Nectaro Bravo", incorporated as limited liability company and registered on 19 September 2023, in the Republic of Latvia under registration number 40203509066. Issuer is a special purpose entity whose principal purpose is the issue of Notes
<b>Issuer's Account</b>	the cash account of the Issuer opened with Nectaro which is used solely for settling payments with the Loan Originator, the Sponsor and the Investors
<b>Latvijas Banka</b>	Latvijas Banka, as competent authority in the Republic of Latvia under the Prospectus Regulation
<b>Loan</b>	the principal amount outstanding under the Loan Agreement
<b>Loan Agreement</b>	each loan agreement concluded in line with the Credit Facility Agreement between the Loan Originator as a borrower and the Sponsor as a lender as specified in the applicable Final Terms
<b>Loan Originator</b>	O.C.N. "Ecofinance Technologies" S.R.L, incorporated as a limited liability company (exempt private company limited by shares) and

	registered on 30 July 2018 in the Republic of Moldova under registration number 1018600034829
<b>Loan Receivables</b>	the receivables under the Loan Agreement that are assigned and to the extent that are assigned to the Issuer under the Purchase Agreement
<b>Nectaro</b>	SIA Nectaro, incorporated as limited liability company and registered on 30 August 2016 in the Republic of Latvia under registration number 40203016025, an investment firm authorised by Latvijas Banka, which provides investment and related services to Investors through the Platform
<b>Nectaro Group</b>	Nectaro and any of its subsidiaries and affiliates, including, the Sponsor, the Issuer and the Loan Originator
<b>Notes</b>	the notes issued or to be issued under this Programme
<b>Noteholder</b>	the holder for the time being of any Note
<b>Platform</b>	the websites created and owned by Nectaro, which are combined under a domain name <a href="http://www.nectaro.eu">www.nectaro.eu</a> and which allows its users to use various interactive services offered by Nectaro, operating in the scope of this site
<b>Purchase Agreement</b>	purchase agreement relating to the purchase by the Issuer and the sale by the Sponsor of Loan Receivables to the Issuer
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC and includes any commission delegated regulation under the Prospectus Regulation
<b>Programme</b>	this EUR 10 000 000.00 (ten million) Note Programme
<b>Securities Act</b>	the United States Securities Act of 1933, as amended from time to time
<b>Series</b>	a series of Notes
<b>Signet Bank AS</b>	Signet Bank AS, incorporated as joint-stock company and registered on 6 December 1991 in Republic of Latvia under registration number 40003043232
<b>Sponsor</b>	SIA "Nectaro Finance", incorporated as limited liability company and registered on 13 December 2023 in the Republic of Latvia under registration number 40203527589. Sponsor is the lender to the Loan Originator
<b>Swedbank</b>	"Swedbank" AS, incorporated as joint-stock company and registered on 14 May 1992 in Republic of Latvia under registration number 40003074764
<b>Transaction Documents</b>	the Cooperation Agreement, the Credit Facility Agreement, the Loan Agreements, the Transfer Documents and the Purchase Agreement
<b>Transfer Document</b>	the document generated by Nectaro evidencing the transfer of Loan Receivables from the Sponsor to the Issuer in accordance with the Purchase Agreement

## 1. GENERAL DESCRIPTION

### What is Nectaro?

Nectaro launched a global online marketplace for investing in loans in 2016. Through the Platform, which is owned and operated by Nectaro, Nectaro provides investors with a convenient way to invest in loans originated by various Nectaro group lending companies in various jurisdictions. In September 2023, investments in loans were started being offered through financial instruments called notes on the Platform.

At the end of November 2025, Nectaro had over 10 600 registered users.

Since Nectaro was founded, investors through the Platform have investment more than EUR 37 million.

Nectaro is authorised as an investment firm by Latvijas Banka, operating the Platform accessible online, where investors can invest in investment opportunities issued in the form of asset-backed securities (Notes). See the Section 6 (NECTARO) of this Base Prospectus for more information.

### What are Notes?

Notes are financial instruments issued by the Issuer via Nectaro to Investors, which allows Investors to invest in Loans issued by the Sponsor to the Loan Originator. These funds are further lent by the Loan Originator to its Borrowers, by concluding Borrower's Loan Agreements. The Loans are linked to the Borrowers' Loans issued by the Loan Originator to the Borrowers.

The Issuer is a special purpose legal entity established for the purposes of:

1. purchasing Loan Receivables from the Sponsor;
2. pooling those Loan Receivables for a particular Series of Notes;
3. issuing those Notes to Investors via Nectaro.

See Sections 5 (ISSUER), 7 (SPONSOR) and 8 (LOAN ORIGINATOR) of this Base Prospectus for more information.

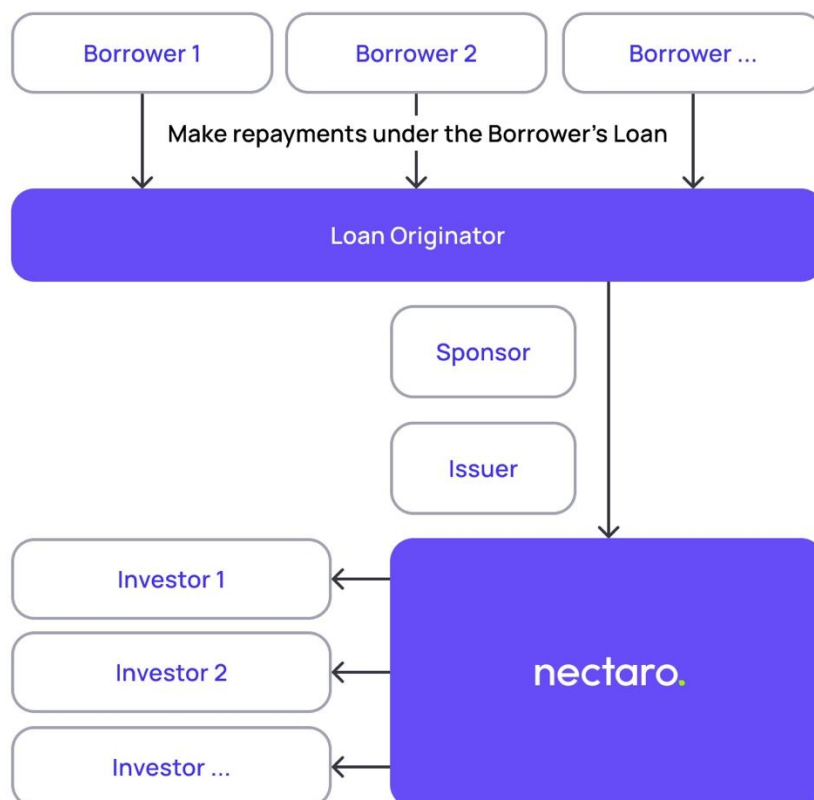
#### *The flow of funds for issuance of Loan*

The Sponsor concludes the Credit Facility Agreement with the Loan Originator under which the Loan Originator might request withdrawals of funds subject to conditions of the Credit Facility Agreement, inter alia with purpose of use of funds for crediting Borrowers. For each withdrawal the separate Loan Agreement is concluded by and between the Sponsor as a lender and the Loan Originator as a borrower. Funds are disbursed with the account of the Loan Originator. Further the Loan Originator uses these funds for issuance of Borrower's Loans.

#### *The flow of funds for repayment*

Each time a Borrower under the relevant Borrower's Loan Agreement linked to the particular Loan makes repayments to the Loan Originator, the Loan Originator transfers the funds to Nectaro as the paying agent of the Sponsor and the Issuer, which in turn makes repayments under the relevant Series of Notes to the relevant Investor via Nectaro. The repayments are received into the relevant Investment Account.

## THE FLOW OF FUNDS FOR REPAYMENTS



This means that if the Borrower makes the repayments to the Loan Originator later than scheduled, the repayments to the Investor will also be correspondingly delayed, because Loan Originator will repay its Loan linked with such Borrower's Loan to Nectaro acting as a paying agent for the Sponsor and the Issuer consequently the Issuer will not be able make payments to Investor as promised. Similarly, if the Borrower makes no repayments at all and the Loan Originator is not able to recover anything from the Borrower, no repayments will be received by the Investor.

The Loan Originator may provide an Early Repayment Obligation for Loan Receivables in case of delay by the Borrower, which means that if any repayment by the Borrower under the linked Borrower's Loan Agreement is delayed by more than 60 days, the Loan Originator is obliged to repay the Loan Receivables together with any interest to Nectaro as the paying agent of the Sponsor and the Issuer in full irrespective of the fact that the Loan Originator has not received the funds according to the linked Borrower's Loan Agreement and then Nectaro as the paying agent of the Sponsor and the Issuer would transfer the received payments to the Noteholders. In this situation, the Investor will be exposed to the credit risk of the Loan Originator. See Sub-Section 2.3.3 (Insolvency of the Loan Originator).

Early Repayment Obligation is subject to certain limitations as described in Sub-Section 4.1.5 (The Early Repayment Obligation).

For additional information see Section 2.7 (RISKS SPECIFIC TO NOTES).

### *The flow of funds for investment*

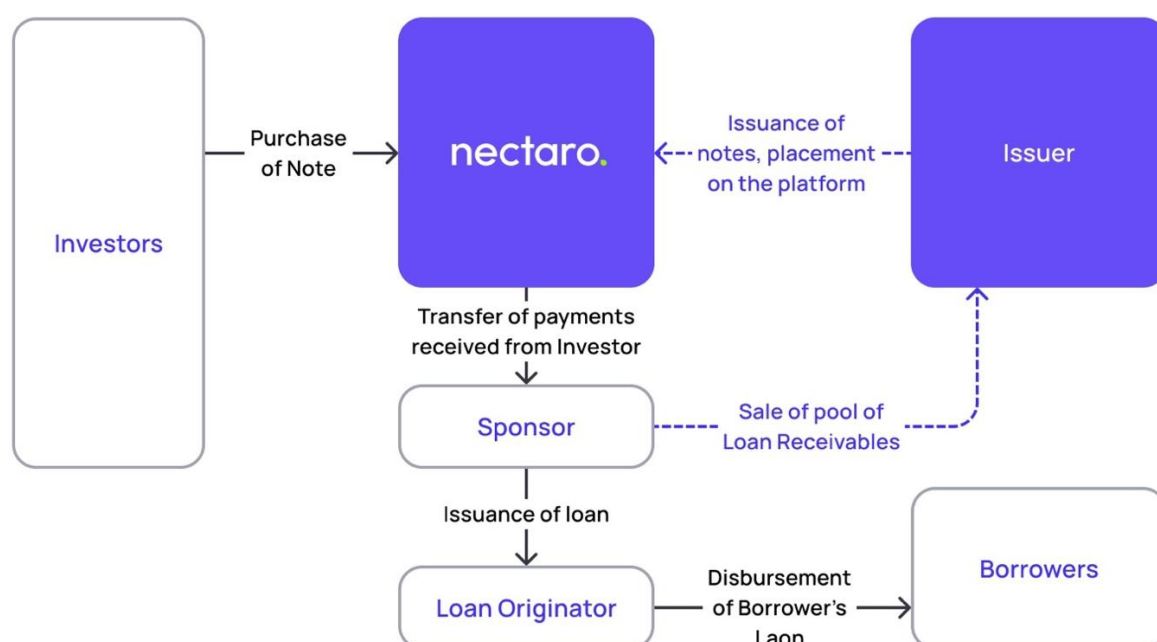
The Loan Originator issues Borrower's Loans to Borrowers and then requests disbursement of the Loan from the Sponsor. Repayment of Loan Originator's monetary obligations to the Sponsor takes place from the funds received from the Borrowers under Borrower's Loan Agreement(-s) linked with the respective Loan Agreement. Namely, the repayment of respective Loan to the Sponsor is



linked to respective Borrower's payments under the Borrower's Loan Agreement(-s) specified in the Loan Agreement and the Borrower's Loan shall be regarded as the ultimate source of repayment of the Notes. Loans may be provided with or without 'skin-in-the-game' of the Loan Originator. If Loan is provided with 'skin-in-the-game', the reference to 'skin-in-the-game' provisions is included in the relevant Loan Agreement. The Loan issued by the Sponsor to the Loan Originator with 'skin-in-the-game' is no more than a specific part indicated in the relevant Loan Agreement (for example, 90%) from the Borrower's Loan issued by the Loan Originator to the Borrowers that is linked with such Loan.

Loan Receivables are sold by the Sponsor to the Issuer. The Issuer issues a Series of Notes corresponding to these Loan Receivables to Investors via Nectaro. When an Investor purchases any Note of the Series, the Investment Accounts are credited with the Note and debited with the purchase price of the Note. The purchase price is transferred to the Sponsor. After receipt of the purchase price the Sponsor makes the disbursement of Loan to the Loan Originator.

## THE FLOW OF FUNDS FOR INVESTMENTS



## 2. RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and cause its insolvency in the worst-case scenario. All these risk factors and events are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Investors must take into account that Notes are unsecured. This Section may not feature all the potential risks, which may affect the Issuer.

The most material risk factors are presented first within each category. Nevertheless, the order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Issuer or the Sponsor, or the Loan Originator's business, financial condition, results of operations and prospects. In addition, Investors should be aware that the risks described therein might combine and thus intensify one another. Additional risks and uncertainties, which are currently not known to the Issuer or which the Issuer currently believes are immaterial,

could also impair the business, cash flows, results of operations and overall financial condition, thus the list of risks provided in the Base Prospectus cannot be considered as exhaustive.

While the risk factors below have been divided into categories, some risk factors could belong in more than one category and Investors should carefully consider all the risk factors set out in this Section. Investors should carefully review the entire Base Prospectus and should form their own opinion before making an investment decision regarding the Notes.

Before making an investment decision regarding the Notes, Investors should consult their own lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective Investor's personal circumstances.

## **2.1. RISKS SPECIFIC TO THE UNDERLYING LOANS**

### **2.1.1. Payments under the Loan Agreements might not happen according to the agreed terms**

The Notes are linked to the pool of underlying Loan Receivables. That means that payments under the Loan Agreement are made once respective Borrower whose Borrower's Loan was linked to Loan has made payments under the Borrower's Loan Agreement. That means that payments under Loan Receivables are linked and dependent to the Borrower's Loan payments. Hence if any of the Borrowers does not make a payment on time to the Loan Originator according to the Borrower's Loan Agreement serving as source of repayment to particular Loan, the Sponsor most probably will fail to make payment to the Issuer in full and, as a consequence, the Noteholder may not receive a payment under the Notes in full on time, but will receive a partial payment according to the payments made by other Borrower's Loans linked to Loans in the pool. For example, if a Borrower makes a repayment a week later than the agreed schedule, the Noteholder will also receive the respective part of repayment at least a week later. Furthermore, if a Borrower makes no repayment at all and the Loan Originator is not able to recover anything from the Borrower, the Noteholder will also not receive any further repayments unless, the Loan is repaid by the Loan Originator according to the Early Repayment Obligation in case of delay by the Borrower (i.e., irrespective of the Borrower's failure to make its payments under the underlying Borrower's Loan Agreement).

The Sponsor also has the option to offer the Loan Receivable with the feature of Early Repayment Obligation in case of delay by the Borrower which means that the Loan Originator is obligated to repay the Loan Receivables if the Borrower has failed to pay within 60 days after the scheduled repayment date and thus there is no cash flow for the Sponsor to further make payments to the Issuer. While this feature could reduce the potential loss for the Noteholder due to the Borrower and subsequently the Loan Originator failing to make repayments, the Early Repayment Obligation is only as strong as the company providing this obligation. If the Loan Originator fails to honour its obligation and if the Sponsor does not have enough cash flow to make the payments under the Notes, the Noteholder is still exposed to the risk of the underlying Borrower not making repayments and thus the Sponsor failing to make payments as well.

While the probability of the Loan Originator missing repayments or defaulting depends on various factors, it is important to be aware that such probability is always present. Due to this, the Notes are only suitable investments for Investors who have the appropriate knowledge and experience and are in a financial situation that allows them to lose part or even all the money invested in Notes.

Overall, the Borrower not making repayments to the Loan Originator under the Borrower's Loan Agreement and thus impacting the Loan Originator's fulfilment of liabilities towards the Sponsor and the Sponsor's fulfilment of liabilities towards the Issuer and subsequently to Noteholders may be caused by different factors, including, but not limited to:

1. **Loan Originator misjudging ability to repay** – for various reasons, Loan Originator may overestimate its future cash flows from the Borrowers and borrow from the Sponsor more than it will be able to repay. This may include failures and mistakes in Loan Originator's credit policy and/or evaluation of creditworthiness of the Borrowers as well as insufficient credit monitoring policies and procedures.
2. **Macroeconomic factors** – the credit risk scoring of the Loan Originator makes assumptions about the Borrower's ability to repay during normal economic conditions. A sudden change in macroeconomic factors could significantly impact the Borrower's ability to make repayments.
3. **Other liabilities** – the underlying Borrower's Loan Agreements that are linked to the repayment of Loan and consequently to repayment of Note usually do not restrict the Borrower from incurring additional unsecured or secured debt. Additional debt may adversely affect the Borrower's creditworthiness and could result in financial distress, insolvency or bankruptcy of the Borrower.
4. **Loan issued in a different currency than the Borrower's Loan** – the Loan issued to the Loan Originator is in different currency than the Borrower's Loan funded from this Loan. Significant changes in the exchange rates or a local currency devaluation could impact the Loan Originator's ability to make repayments even if Borrowers do fulfil its obligations in full.

#### **2.1.2. Loan Originator may repay the Loan early**

Loan Originator may repay all or a part of outstanding principal at any time without penalty. This may happen, for example, in cases where Loan Originator can acquire lower cost financing from other sources and wishes to refinance the Loan. Loan Agreement might be also terminated or cancelled in advance by the Sponsor or the Loan Originator, triggering the early repayment of the amounts due without penalty. This in turn means that Loan linked to the respective Borrower's Loan would be repaid earlier. While the Noteholder may invest the repaid money elsewhere, the return on the investments could be lower than the initially planned return.

#### **2.1.3. Cross-risks applicable to the Loans**

Since Notes are linked to underlying Loan Receivables and these in turn are linked to the Borrower's Loans as explained in Sub-Section 2.1.1, Loans are also exposed to the risks listed in Sub-Section 2.2. (RISKS SPECIFIC TO THE UNDERLYING BORROWER'S LOANS) and 2.3. (RISKS SPECIFIC TO BORROWER'S LOAN SERVICING).

#### **2.1.4. Sponsor is not able to continue Loan servicing**

In due course of its business operations the Sponsor might be subject to risk factors analogous to those listed under Sub-Section 2.3.1.

### **2.2. RISKS SPECIFIC TO THE UNDERLYING BORROWER'S LOANS**

#### **2.2.1. The Borrowers may not make payments according to the agreed schedule or may default on their obligations altogether**

Payments under Loan Receivables are linked and dependent to the Borrower's Loan payments. This means that if any of the Borrowers does not make a payment on time to Loan Originator according to the Borrower's Loan Agreement serving as source of repayment to particular Loan Receivable, then Loan Originator might fail to make payments to Nectaro as the paying agent of the Sponsor and the Issuer under the Loan Agreement then the Noteholder will also not receive a payment on time. For example, if a Borrower makes a repayment a week later than the agreed schedule, the Noteholder will also receive the repayment a week later. Furthermore, if a Borrower makes no repayment at all and the Loan Originator is not able to recover anything from the

Borrower, the Noteholder will also not receive any further repayments unless, if applicable, the Loan is sold with the Early Repayment Obligation in case of delay by the Borrower.

The Loan Originator and / or the Sponsor may decide to offer additional compensation to the Noteholder in the form of interest income on delayed payments or penalty income. Borrower's Loan Agreement may contain a grace period, which is a period immediately after a scheduled payment date during which a late fee is waived provided that the obligation is satisfied during the grace period. Interest income on delayed payments and penalty income would not be paid to the Noteholder for the grace period.

There is always a probability of Borrower missing repayments or defaulting although it depends on various factors (payment amount, the income of the Borrower, repayment term). Due to this, the Notes are only suitable investments for Investors who have the appropriate knowledge and experience and are in a financial situation that allows them to lose part or even all the money invested in Notes.

Overall, a Borrower not making repayments in full, or defaulting could be caused by a variety of factors, including, but not limited to:

1. **The Borrower overestimates its ability to repay** – each Borrower should evaluate its current and future financial position itself and assess its ability to repay. For various reasons, the Borrower could overestimate its future cash flows and borrow more than it will be able to repay.
2. **Limitations of initial risk scoring** – the Loan Originator has developed its own method for scoring customer credit risk that relies on various information, which can be collected also from other parties than the Loan Originator. There is a risk that the information could be wrong or outdated, or that the scoring method is not sufficient.
3. **Unexpected events** – reasons why the Borrower could miss a repayment, include loss of employment, a delay in receiving expected income, unexpected costs, or even disability or death.
4. **Macroeconomic factors** – the credit risk scoring of the Loan Originator makes assumptions about the Borrower's ability to repay during normal economic conditions. A sudden change in macroeconomic factors could significantly impact the Borrower's ability to make repayments.
5. **Other liabilities** – the underlying Borrower's Loan Agreements that are linked to the repayment of Loan Principle and consequently to repayment of Note usually do not restrict the Borrower from incurring additional unsecured or secured debt. Additional debt may adversely affect the Borrower's creditworthiness and could result in financial distress, insolvency or bankruptcy of the Borrower.
6. **Borrower's Loan issued in a different currency than the Borrower's income** – in some cases, the Borrower's Loan is in a different currency than the currency in which the Borrower earns income. Significant changes in the exchange rates or a local currency devaluation could impact the Borrower's ability to make repayments.

#### **2.2.2. It may not be possible to recover the full principal and interest owed by the Borrowers, thus the Noteholder may not receive back its invested amount**

While any recoveries from a Borrower are limited to the value of Borrower's assets (if any), some jurisdictions may set a lower limit that creditors may claim from the Borrower or define a list of the estate which is not allowed to be alienated for recovery purposes, thus reducing the maximum amount that could be covered from the Borrower and consequently distributed between the Noteholders.

The underlying Borrower's Loans that are linked to the Loan Agreement and consequently to the Note do not restrict the Borrowers from incurring additional unsecured or secured debt. This means that if the Borrower's Loan is not secured by an asset and any funds from the Borrower are available for recovery, these funds could be allocated to various creditors, i.e., not only the Loan Originator, but also other persons that the Borrower owes money to, such as local tax agency, state authorities, other lending companies and utility companies.

There could also be the case, especially where the amount of the Borrower's Loan is low, that the expected collection and recovery costs might be higher than the debt itself, which means the collection and recovery is not economically reasonable, thus it would not be pursued.

In addition, the Borrower's Loan Agreement may, for a variety of reasons, be challenged and thus the ability of the Loan Originator to exercise its rights under the Borrower's Loan Agreement may be delayed or otherwise hindered for an undefined term. The reasons for challenging the Borrower's Loan Agreement could include errors in agreements, electronic form of agreement (while the legal form requirement might be met in principle by such electronic signature, its value as evidence in court proceedings in some jurisdictions could be less compared to an actual signature made by hand on a physical document), compliance with regulations, such as consumer protection laws, as well as borrower identity fraud cases.

Due to the reasons described above the Noteholder may experience delayed repayments or partial or full loss of the amount invested in Notes.

### **2.2.3. The Borrower may repay the Borrower's Loan early**

A Borrower may repay all or a portion of the remaining principal amount at any time without penalty. This may happen, for example, in cases where the Borrower can acquire lower cost financing from other sources and wishes to refinance the Borrower's Loan. The Borrower's Loan Agreement might be also terminated or cancelled in advance by the Loan Originator, triggering the early repayment of the amounts due by the Borrower without penalty. This in turn means that the Loan linked to the respective Borrower's Loan would be repaid earlier. While the Noteholder may invest the repaid money elsewhere, the return on the investments could be lower than the initially planned return.

### **2.2.4. The Borrower may face difficulties to repay the Borrower's Loan in advance**

A Borrower may breach the Borrower's Loan Agreement, for example, the Borrower undertakes additional financial liabilities without accept of the Loan Originator or alienates the collateral, and such breach under the Borrower's Loan Agreement entitled the Loan Originator to request early Borrower's Loan repayment in full. A Borrower may not have necessary financial funds to make such early repayment, so this could lead to Borrower's debt restructuring or debt collection, impacting Loan Originator's ability to repay the Loan to the Sponsor, which in turn may impact the fulfilment of the Sponsor's liabilities to the Issuer and consequently the Noteholder may experience delayed repayments or partial or full loss of invested amount under Notes.

## **2.3. RISKS SPECIFIC TO BORROWER'S LOAN SERVICING**

### **2.3.1. The Loan Originator is not able to continue Borrower's Loan servicing**

Various factors can negatively impact the Loan Originator's ability to provide Borrower's Loan servicing, which in turn could lead to delayed repayments to Nectaro as the paying agent of the Sponsor and consequently delayed payments to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

1. **Loss-making operations** – the Loan Originator may experience losses due to various business events and factors, such as intense competition, higher than expected cost of client acquisition, high recovery costs, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to new Borrower's Loans and management errors.

2. **Macro-environmental factors** – various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the non-performing Borrower's Loans and respectively also non-performing Loans ratio.
3. **Freezing, seizing or closing of the Loan Originator bank/payment service provider account.** The account that the Loan Originator uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Loan Originator's ability to collect Borrowers' repayments and transfer funds to the Sponsor and in turn for the Sponsor to the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the Loan Originator.
4. **Currency control restrictions or lack of corresponding banks chain** – the local government could introduce certain currency control restrictions, resulting for the Loan Originator not being able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the Loan Originator's operational accounts could be dramatically amended or terminated, eliminating the Loan Originator's ability to make payments to Nectaro for the benefit of the Sponsor and the Issuer resulting in the Sponsor having not enough funds to cover monetary obligations in respect to the Issuer. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
5. **Changes in local regulation with regards to the Borrower's Loans already issued** – a legislative body of the country where the Loan Originator operates could introduce a Borrowers' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release.
6. **Foreign exchange positions mismatch** – often Loans are issued and are being repaid in one currency, but Notes promise repayments to Noteholders in another currency, for example, a Borrower's Loan has been issued to a Borrower in Moldovan Leu, but the Investor invests in a Note denominated in euros. If such Borrower's Loans make up a large amount of the total portfolio, and local currency devalues and the Loan Originator has not properly hedged this risk, the Loan Originator is subject to foreign exchange positions mismatch risk, leading to significant losses for the Loan Originator and its inability to pay amounts due to the Sponsor and resulting in the Sponsor having not enough funds to make payments to the Issuer.
7. **Other or sole funding sources** – besides the Sponsor, the Loan Originator may use other sources of funding, such as a bank credit line, corporate bonds issues, private equity or public shares offerings. In some situations, such as an economic downturn, it could be difficult for the Loan Originator to attract funding from other sources to refinance the existing liabilities, thus leading to a liquidity crisis that could lead to the Loan Originator having difficulties continuing operations.

### **2.3.2. The Loan Originator may intentionally or unintentionally breach its contractual obligations**

There is a risk that the Loan Originator performs actions that are in violation of the Transaction Documents, including the risk of fraud against the Sponsor, the Issuer and/or Nectaro, resulting in the partial or full loss of amounts invested in Notes. Contractual breaches that may happen include, but are not limited to:

1. **Borrower's Loan receivables are or will be pledged to other creditors** – according to the Transaction Documents, to which the Loan Originator is a party, Borrower's Loan receivables and receivables underlying Notes must not be pledged to any creditors. If the Loan Originator intentionally or unintentionally pledges the specific Borrower's Loan receivables to other creditors than the Sponsor or the Issuer, the Noteholder could lose some

or all the invested funds if the Loan Originator defaults or becomes insolvent and thus the Sponsor has no cash flow for payments to Issuer.

2. **False or incomplete information about the Loan Originator** – all information in this Base Prospectus about and/or related to the Loan Originator has been provided and certified by the Loan Originator as actual, true, and complete. Material errors or omission of such information could initially affect the decision of the Noteholder to invest in a particular Note and eventually result in a negative outcome of the investment.
3. **False Borrower data** – the Loan Originator provides Nectaro with information about the Borrower's Loan status, the Borrowers, repayment schedules, repayments, extensions of the underlying Borrower's Loans or changes to the Borrower's Loan Agreements. While Nectaro regularly asks the Loan Originator to provide scanned copies of the documents as evidence for randomly selected Borrower's Loans, Nectaro does not check and verify all Borrower's Loans linked to the Loans backing the Notes. There is a risk that the Loan Originator intentionally or unintentionally has provided wrong information to Nectaro or fails to provide information to Nectaro at all, and as a result, the payments under the Notes could be impacted.
4. **The Loan Originator stops cooperation with Nectaro** – the Loan Originator could for some reason suddenly stop cooperating with Nectaro. This could mean not honouring its obligations under the existing agreements, including the Transaction Documents and breach of their provisions. The Loan Originator could stop making payments to the Sponsor which in turn may impact fulfilment of Sponsor's obligations to the Issuer, which means the Issuer may not be able to make payments to the Noteholder. The Loan Originator might also stop providing Nectaro with the necessary information or providing the information with significant delays.

### **2.3.3. Insolvency of the Loan Originator**

Insolvency, bankruptcy or other similar adverse events may significantly influence or even dismiss the ability of the Loan Originator to repay the Loans, to meet its obligations under Transaction Documents, and among other to execute the undertaken Early Repayment Obligation. This means that if the Loan Originator experiences significant problems, the Loan Originator may not be able to make payments resulting in the Sponsor's difficulties to fulfil its obligations to the Issuer which in turn would not be able to make payments to the Noteholder.

In case of insolvency, an administrator usually is bound to consider which past transactions of the insolvent company must be contested and which sold assets or transferred funds have to be clawed back. There is a risk that the administrator of the Loan Originator takes action to claw back to the Loan Originator estate amounts paid to the Issuer, Nectaro or the Sponsor. The Sponsor, Nectaro and / or the Issuer would then have to take legal actions to protect its interests and argue against the position of the administrator in judicial proceedings, which could be long and costly, and no assurance could be made of its successful outcome.

Eventually, the Noteholder may experience delayed repayments or partial or full loss of invested amount under Notes.

### **2.3.4. IT systems may fail or may be breached**

IT systems are a crucial part of all financial services companies and if they are impacted, that could affect the Loan Originator's ability to provide financial services to its customers and exchange information with the Sponsor, the Issuer and Nectaro. This could also result in loss or distortion of significant information and databases that are crucial for sound cooperation between the Loan Originator, the Sponsor, the Issuer and Nectaro, including for Notes issue servicing and administration.

Since IT systems play a significant crucial role in the Loan Originator's operation, the Loan Originator typically devotes a substantial amount of resources to ensure stable and uninterrupted

performance of the IT systems. But neither the Sponsor, nor the Issuer, nor Nectaro audits the Loan Originator's IT systems thus cannot ensure their soundness.

## **2.4. RISKS SPECIFIC TO THE SPONSOR**

### **2.4.1. Intentional or unintentional breach of contractual obligations**

There is a risk that the Sponsor could suddenly stop effectively honouring its obligations under the existing agreements and breaching its provisions, resulting in missing repayments to the Noteholder. This could lead to delays in repayments and partial or full loss of invested amounts.

### **2.4.2. Insolvency of the Sponsor**

The Sponsor might be found insolvent. Insolvency, bankruptcy or other similar adverse events may significantly influence or even dismiss the ability of the Sponsor to fulfil its obligations towards the Issuer and the Loan Originator, meaning that the Sponsor may not be able to issue Loans to the Loan Originator this could lead to delays in repayments and partial or full loss of invested amounts.

The Sponsor will continue to treat the Loan Receivables as its assets from an accounting perspective. Reflection or recognition of the Loan Receivables sold to the Issuer as the Sponsor's balance sheet assets, if insolvency proceeding is initiated, may lead to the receiver or the administrator not recognising the Issuer's title over the Loan Receivable sold to it. In this case, the Issuer would need to take legal actions to protect its interests in the Loan Receivables. Should the Loan Receivables be treated as assets of the Sponsor that are available for the general pool of creditors and not of the Issuer, the Issuer might be treated as an unsecured creditor of the Sponsor and it may then be entitled to receive only a portion of all distributions available to the unsecured creditors of the same class, and this portion of distributions may be not enough to cover the indebtedness towards the Issuer partially or in full.

### **2.4.3. The Sponsor is not able to continue Loan servicing**

Although Nectaro acts as a fiduciary (a calculation agent, transfer agent and paying agent) of the Sponsor in relation to the Loan Receivables, the Sponsor is entitled to recall the authorisation and continue to service Loan by itself. In this case various factors can negatively impact the Sponsor's ability to provide Loan servicing, which in turn could lead to delayed repayments for the Loan Receivables to the Issuer and consequently delayed payments to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

1. **Macro-environmental factors** – various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the amount that cannot be recovered from the Loan Originator.
2. **Freezing, seizing or closing of the Sponsor's operational bank/payment service provider account.** The account that the Sponsor uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Sponsor's ability to collect repayments from the Loan Originator and transfer funds to the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the Sponsor.
3. **Changes in local regulation with regards to the Loans already issued** – a legislative body of the country where the Sponsor operates or wherefrom the Loan Originator could introduce a borrowers' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release.

### **2.4.4. Cross-risks applicable to the Sponsor**

Considering the pass-through nature of the Sponsor, the Sponsor and its abilities to pay amounts due to the Noteholders under the Note are exposed to all the risks linked above in Sections 2.2



(RISKS SPECIFIC TO THE UNDERLYING BORROWER'S LOANS) and 2.3 (RISKS SPECIFIC TO BORROWER'S LOAN SERVICING).

## **2.5. RISKS SPECIFIC TO NECTARO**

### **2.5.1. Inability to continue operations**

Various events and failures could cause situations where Nectaro is not able to continue operations.

As a relatively new service, Nectaro operates in a complex and dynamic regulatory and competitive environment and various events and failures could lead to Nectaro terminating the provisioning of services, including the operations of the Platform. These events include but are not limited to revocation of licence, weak financial performance, negative reputation, noncompliance events, dramatic changes in the applicable regulations impacting Nectaro operating model or an economic downturn. If Nectaro ceases operations, this could significantly impact the Noteholder's ability to receive repayment on time.

Should Nectaro enter liquidation or insolvency, as a regulated and supervised entity, the process will be supervised by Latvijas Banka. The appointed liquidator or administrator will take over the functions of the management board. Nectaro will continue servicing its clients and the Investment Accounts, and relevant financial instruments portfolios in line with what Nectaro is permitted to do according to the applicable insolvency and liquidation rules. The process from the moment of the appointment would be led by the appointed administrator or liquidator. In some cases, the Investors' Protection Law may apply. Such processes may significantly influence the investment's return times and make the return more complex to the Noteholder.

Furthermore, Nectaro could for some reason suddenly stop honouring its obligations under the existing agreements, leading to delayed payments or partial or full loss of the amount invested in the Notes.

### **2.5.2. Non-compliance leading to revocation of licence**

To provide services to clients, Nectaro, as the operator of the Platform, has received an investment firm license from Latvijas Banka. The licence could be suspended or revoked due to non-compliance with regulations by Nectaro. Loss of licence by Nectaro could lead to delayed payments or partial or full loss of invested amount under the Notes.

### **2.5.3. Failure of IT systems or a security breach**

The technology that Nectaro has developed over the years is a corner stone of Nectaro's future success. The satisfactory performance, reliability and availability of the Platform is critical to its operations, customer service and reputation.

While Nectaro has taken steps to protect confidential information, the techniques used to obtain unauthorised, improper or illegal access to systems, data, or customer data, or to disable or degrade services are constantly evolving and may not be detected quickly.

As a result, Nectaro and Nectaro third-party vendor security measures might be breached, and these security breaches could result in confidential client information being stolen. Breaches of security measures because of third-party action, employee error, third-party vendor error, design flaws in the software, or interruptions in Nectaro systems and services could adversely impact our relationships with Nectaro clients, harm Nectaro reputation and expose Nectaro to significant liability.

Furthermore, in the event of damage or interruption, existing insurance policies may not adequately compensate Nectaro and Nectaro clients for any losses that may have been incurred. Nevertheless, as IT systems are crucial to Nectaro operations, a substantial amount of resources are devoted to ensuring the stable and uninterrupted performance of the IT systems.

#### **2.5.4. Nectaro bank accounts could be frozen or closed and banks, where the Noteholder funds are held, can become insolvent**

Nectaro clients' funds, including the fund being deposited in the Issuer's Account for settlement under the Notes, are kept segregated from Nectaro own funds in several bank accounts marked as client funds accounts.

One or several of those bank accounts that Nectaro uses might be blocked, seized or closed for a number of reasons, including insolvency of the banks, resulting in interruptions of fund transfers.

#### **2.5.5. Significant problem or termination of the agreement with a Nectaro partner may affect the provision of services to the clients**

While providing its services, Nectaro relies on several carefully selected partners, and any problems with the service providers could impact Nectaro ability to provide services to the Noteholder. Nectaro has taken several steps to reduce the likelihood and impact of such occurrences, such as having backup service providers where feasible, there is still a risk that the Noteholder may not be able to access the Platform or receive services.

### **2.6. RISKS SPECIFIC TO THE ISSUER**

#### **2.6.1. Default or insolvency of the Issuer**

The Issuer is a wholly owned Nectaro Group company, and not engaged in any business activities other than those specified in this Base Prospectus. There is a risk that the Issuer could suddenly stop effectively honouring its obligations under the existing agreements and breaching its provisions, resulting in missing repayments to the Noteholder. This could lead to delays in repayments and partial or full loss of invested amounts.

While the Issuer is created, established and performs its operations as a special purpose undertaking, due to possible legal shortcomings of the applicable law and/or judicial practice, the Issuer might be found insolvent due to the different reasons, including, but not limited to, a Noteholder or other creditor initiating the insolvency procedure against the Issuer in bad faith and the court not finding limited recourse and non-petition provisions defined by this Base Prospectus as a sufficient ground to reject such proceeding. In such situations, the Noteholder could experience delays in receiving its invested funds and its priority as a creditor of the Issuer might be changed by the rule of law, leading to receiving fewer amounts than due under the Notes.

#### **2.6.2. Nectaro may not be able to cover the maintenance and administrative costs of the Issuer**

Considering the pass-through nature of the Issuer, the maintenance costs and administrative expenses of the Issuer are, in essence, covered by the Sponsor and the Loan Originator, either via direct compensation mechanism or indirectly via Nectaro. If for any reason mentioned above in Section 2.5 (RISKS SPECIFIC TO NECTARO) Nectaro is not able to cover such costs, it could negatively influence the operations of the Issuer and its ability to service Notes and make payments to the Noteholder.

#### **2.6.3. Information asymmetry**

Part of the information in this Base Prospectus as well as significant information being received during the term of the Notes is being sourced and received from the Loan Originator. There is a risk that the Loan Originator can provide material information with delay or fails to provide information to the Issuer at all. Therefore:

1. the Issuer though Nectaro acting as its authorised representative will not be able to timely enforce its rights provided in the Transaction Documents and to act in the interests of Noteholders; and

2. the Issuer will not be able to prepare and publish supplements to this Base Prospectus in a timely manner, which could impact the Noteholders' judgement on purchasing the Notes being unaware of any significant new factor, material mistake or inaccuracy related to the information being sourced from the Loan Originator.

#### **2.6.4. Cross-risks applicable to the Issuer**

Considering the pass-through nature of the Issuer, the Issuer, and its abilities to pay amounts due to the Noteholders under the Note are exposed to all the risks listed in Sections 2.2 (RISKS SPECIFIC TO THE UNDERLYING BORROWER'S LOANS), 2.3 (RISKS SPECIFIC TO BORROWER'S LOAN SERVICING) and 2.5 (RISKS SPECIFIC TO NECTARO).

### **2.7. RISKS SPECIFIC TO NOTES**

#### **2.7.1. The Noteholder has no rights of recourse against the Borrowers, the Loan Originator or the Sponsor**

The Noteholder has no direct right neither to the Loan Receivables, nor Borrower's Loan receivables. Instead, the Noteholder is acquiring Notes, which are backed by the corresponding Loan Receivables which in turn are linked to the Borrower's Loans. The legal title in the Loan Receivables and relevant rights arising from them are vested in the Issuer. However, the legal title in the Borrower's Loan receivables that are serving as ultimate repayment source of Notes and relevant rights arising from Borrower's Loan receivables are vested in the Loan Originator. This means that the Noteholder will have no direct recourse neither against the Sponsor, nor the Loan Originator, nor against the Borrowers and no ability to independently and in its discretion to pursue the Sponsor and/or the Loan Originator or any Borrower to collect payments under the relevant Loan and corresponding Borrower's Loan. All actions against the Sponsor are carried out by the Issuer as the legal owner of the Loan Receivables according to the provisions of this Base Prospectus and the Transaction Documents. All actions against the Loan Originator are executed by the Sponsor and Nectaro, whereas all actions against Borrowers are carried out by the Loan Originator as the legal owner of the Borrower's Loan receivables according to the provisions of this Base Prospectus and the Transaction Documents. This essentially means that payments under the Notes depend on the payment discipline of respective Borrower and Loan Originator's and Sponsor's integrity.

#### **2.7.2. Change of creditors' priority**

The outcome of judicial or insolvency procedure could overrule the creditors' priority in this Base Prospectus due to requirements of the law, meaning that the Noteholders of one Series of Notes could become equal creditors to Noteholders of other Series of Notes, thus all the proceeds the Issuer received from all the Loan Receivables is distributed on *pro rata* basis or otherwise.

#### **2.7.3. Certain costs may rank higher than payments to the Noteholder**

While it is the Issuer's responsibility to transfer to the Noteholder all payments that have been received from the Loan Originator by Nectaro as a paying agent of the Sponsor there are certain costs, such as taxes that rank higher than payments to the Noteholder. This means that the Noteholder would only receive payment after the payment obligations of a higher priority have been settled.

Also, there is a risk that the outcome of judicial or insolvency procedure could define other priority of payments, which differs from the priority in this Base Prospectus.

#### **2.7.4. Liabilities that are not Series specific will be allocated to all Series of Notes proportionally**

If there are higher priority costs, i.e., taxes, fees and recovery costs, related to the specific Note, then these will be covered from the payments due to the Noteholders according to the priority of

payments. Where the liability is not Series-specific, for example, legal costs, the liability will be allocated to all Series of Notes proportionally unless otherwise defined by the Priority of Payments.

#### **2.7.5. Due diligence and monitoring performed by Nectaro are limited and do not provide any assurance or indemnification**

During the cooperation, Nectaro assesses the credibility of the Sponsor's and the Loan Originator's business, their credit policy, crediting processes and procedures. This assessment is limited in scope and may not address all material risks relating to an investment in the Notes.

Even if Nectaro regularly evaluates business model, credit policy and crediting process executed by the Sponsor and the Loan Originator, this might not guarantee any further performance of the investment.

Nectaro neither provides any assurance or guarantee for the Noteholder nor indemnifies or holds Noteholder harmless for any loss or adverse consequence directly or indirectly arising from the investment in the Notes. Noteholder relying upon the assessment and monitoring done by Nectaro. Basing investment decisions solely on the fact that Nectaro has evaluated both the Sponsor and the Loan Originator could lead to a partial or full loss of invested amounts.

#### **2.7.6. Repayment could impact planned return**

The Loan Originator has an obligation to repay prematurely the Loan to the Sponsor upon the occurrence of certain events specified in the Cooperation Agreement and the Credit Facility Agreement. The Loan Originator may become obliged to repay prematurely one or several affected Loans, as well as there are certain events that may trigger the obligation to repay prematurely all Loans. Occurrence of an Event of Default under the Cooperation Agreement triggers the obligation to repay prematurely all Loans.

If the early repayment is exercised by the Loan Originator, the relevant Series of Notes will be redeemed early in full or in part once the Issuer has received the receivables from the Loan Originator. The Noteholder's return on the investments in the Notes which are redeemed due to the early repayment will be lower than the initially planned return.

#### **2.7.7. New regulations in the future might impact the Noteholder and Nectaro**

Since Nectaro is a licensed investment firm, it is subject to strict regulatory requirements that may be changed from time to time. Also, some regulations affecting Noteholders (for instance the ones on prevention of possible money laundering) may impact Noteholders. Such regulation in the future, might enhance investors' protection measures, limit access to Notes to only qualified or sophisticated Noteholders, limit the proportion of the portfolio that can be invested through Notes or introduce any other restricting measures.

Introduction of new regulations or significant changes to the existing ones could impact the profitability, cost base and future operations of Nectaro. Failure to comply with regulation could lead to, among other things, lawsuits, administrative enforcement actions, penalties, and revocation of licenses and authorisations. Eventually, this could lead to delayed payments or partial or full loss of invested amounts under Notes.

#### **2.7.8. Possible conflicts of interests**

While the rights and the responsibilities of Nectaro, the Sponsor, the Issuer and the Loan Originator are separated as set in the Transaction Documents and this Base Prospectus, and Nectaro has established policies and procedures to mitigate the risk, it is not possible to fully avoid the possibility of a conflict of interests between the parties that could impact the interests of the Noteholder.

Nectaro provides placement services to the Issuer with respect to the Notes. Nectaro also is entitled to certain fee from the Loan Originator depending on the volume of the outstanding Notes purchased by Investors. Nectaro has carefully set up the fee in a compliant manner and so that it

would not violate the conflict of interest management rules. Such fee might qualify as inducement and Nectaro would disclose information on these inducements to the Noteholder. In addition to inducement disclosures, Nectaro has set up internal procedures to identify and manage conflicts of interest. Some conflicts of interest require disclosure and those are disclosed.

#### **2.7.9. New regulation regarding taxes might impact the expected return for the Noteholder**

If new regulation is introduced, or existing regulation or its interpretation changes so that the Issuer and/or Nectaro needs to withhold additional taxes before making payments to the Noteholder, and the Issuer and/or Nectaro is required to withhold any transfer tax, stamp duty and/or financial transactions tax, this could impact the expected return on investment for the Noteholder. Similar developments in the Noteholders' tax residence country can lead to the same consequences.

#### **2.7.10. Notes have limited liquidity and transferability**

The Notes are illiquid securities and there is no active market for them, and the Notes are not admitted to any trading venue, nor is it possible to trade Notes on Platform among the Noteholders. This means that once Notes are purchased these are in the Noteholder's possession until the end term of the Notes. The Noteholder should therefore only invest in Notes that the Noteholder is comfortable with holding to maturity.

#### **2.7.11. An undiversified investment portfolio may lead to greater exposure to risks than a well-diversified portfolio**

Investment in a single Note or Notes with underlying Loans related to one country means that the performance of the portfolio and risk exposure depends on that Note, the Sponsor, the Loan Originator, country and currency risk.

Nectaro encourages its customers to build a well-diversified portfolio and provides several tools on the Platform to automate investing in Notes, making this easier.

#### **2.7.12. Investing in Notes issued in other currencies increase the Noteholder's exposure to currency risk**

If a Noteholder invests in Notes denominated in a currency that is different from the currency that the Noteholder earns and/or spends, the return on the investment could be significantly impacted by the fluctuations in the exchange rate between those currencies. This means that if the underlying currency depreciates significantly, the Noteholder could lose part of the investment, and if the currency appreciates significantly, the Noteholder could earn a higher return on investment.

#### **2.7.13. Notes are not bank deposits**

Investment in Notes does not have the status of a bank deposit in Latvia and is not within the scope of the deposit protection or guarantee scheme operated by the Republic of Latvia or any other jurisdiction.

### **3. GENERAL INFORMATION**

#### **3.1. Important notices**

THIS BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS BASE PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS BASE PROSPECTUS CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THIS BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Any materials relating to any potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Under no circumstances will this Base Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction other than provided on page 1 of this Base Prospectus.

### **3.2. Responsibility for this Base Prospectus**

The Management Board of the Issuer:

Title	Name
Member of the Management Board	Sigita Kotlere
Member of the Management Board	Igors Petrovs

accepts responsibility for the information contained in this Base Prospectus (other than the information in the Sections 6 (NECTARO), 7 (SPONSOR), 8 (THE LOAN ORIGINATOR), 9 (THE LOANS), 10 (THE BORROWER'S LOANS)).

To the best of its knowledge, the information (other than the information 6 (NECTARO), 7 (SPONSOR), 8 (THE LOAN ORIGINATOR), 9 (THE LOANS), 10 (THE BORROWER'S LOANS)) contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties identified in this Base Prospectus as such has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information provided by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Loan Originator accepts responsibility for the information contained in the Sections 8 (THE LOAN ORIGINATOR), 9 (THE LOANS) and 10 (THE BORROWER'S LOANS) of this Base Prospectus. To the best of its knowledge, the information contained in Sections 8 (THE LOAN ORIGINATOR), 9 (THE LOANS) and 10 (THE BORROWER'S LOANS) of this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

### **3.3. Final Terms**

Each Series of Notes will be issued on the terms and conditions set out in the Section 11 (TERMS AND CONDITIONS OF THE NOTES) of this Base Prospectus as completed by the applicable Final Terms. The Final Terms will be published on the website [www.nectaro.eu](http://www.nectaro.eu). A form of applicable Final Terms is set out under the Section 13 (APPLICABLE FINAL TERMS) of Base Prospectus.

### **3.4. Other relevant information**

This Base Prospectus must be read and construed together with any supplements to this Base Prospectus and with any information incorporated by reference in this Base Prospectus and, concerning any Series of Notes, must be read and construed together with the relevant applicable Final Terms.

### **3.5. Interests of natural and legal persons in the Note offer**

In so far as Nectaro is aware, no person involved in this Note offer has an interest material to the offer except possible conflicting interests that might arise between the Issuer, Nectaro, the Sponsor and the Loan Originator. These conflict of interest situations are mitigated by clear division of roles of Nectaro, Issuer, Sponsor and Loan Originator in the Transaction Documents and in Nectaro internal procedures on mitigation of conflicts of interest.

### **3.6. Reasons for the offer and use of proceeds**

The Issuer expects that net proceeds of any Series of Notes will equal the Aggregate Nominal Amount of the relevant Series. Issuance of Notes and receipt of financial means when selling these Notes to the Investors is with the aim for the Loan Originator to be able to provide Borrower's Loans from these financial means and to strengthen its business operations.

If in respect of any particular Series, there is another particular identified use of proceeds, this will be stated in the relevant Final Terms applicable to the particular Series.

### **3.7. Unauthorised information**

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered concerning the Programme, any information supplied by the Issuer, or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Nectaro has not authorised the whole or any part of this Base Prospectus and does not make any representation or warranty, or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes, nor does Nectaro or any of its shareholders, directors, affiliates, advisers or agents take any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue, offering and sale of the Notes.

### **3.8. Restrictions on distribution**

The distribution of this Base Prospectus and any Final Terms, and the offer, sale, and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and Nectaro to inform themselves about and to observe any such restrictions. Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither this Base Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, Nectaro or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. Nectaro has not provided any financial or taxation advice in connection with the Programme or the Notes.

### **3.9. Programme limit**

The maximum aggregate nominal amount of all Notes under the Programme will not exceed 10 000 000.00 EUR (ten million euro) (or its equivalent in other currencies).

### **3.10. Language**

The language of this Base Prospectus is English. Certain legislative references and technical terms might be cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

### **3.11. Ratings**

No Series of Notes issued under the Programme will be rated by any credit rating agency.

### **3.12. Currencies**

Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in euro. The Issuer's functional currency is euro, and the Issuer prepares its financial statements in euro.

### **3.13. Third-party and market share data**

This Base Prospectus contains information regarding business of the Issuer, Nectaro, the Loan Originator, the Sponsor and others, and the industry in which they operate and compete. Where third party information has been used in this Base Prospectus, the source of such information has been identified. Statistical information included in this Base Prospectus has been derived from official public sources, including the statistical releases. All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available, and any such revised data will not be circulated by the Issuer to Investors who have purchased the Notes. In some cases, independently determined industry data is not available. In these cases, any market share data included in this Base Prospectus is referred to as having been estimated. All such estimates have been made by either the Issuer or the Sponsor, or the Loan Originator using its information and other publicly available market information. Each of the Issuer, the Sponsor and the Loan Originator believes that these estimates of market share are helpful as they give prospective Investors a better understanding of the industry in which the Issuer, the Sponsor or the Loan Originator operates as well as its position within that industry. Although all such estimations have been made in good faith based on the information available and the Issuer's, the Sponsor's or the Loan Originator's knowledge of the market within which it operates, neither the Issuer, nor the Sponsor, nor the Loan Originator can guarantee that a third-party expert using different methods would reach the same conclusions. Where information has not been independently sourced, it is the Issuer's, the Sponsor's or the Loan Originator's own information.

### **3.14. No incorporation of website information**

The Issuer is affiliated with Nectaro and their website is [www.nectaro.eu](http://www.nectaro.eu).

Unless specifically incorporated by reference into this Base Prospectus, information on the website or any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites has not been verified, is not incorporated by reference into, and does not form part of, this Base Prospectus, and Investors should not rely on it.

## **4. TRANSACTION OVERVIEW**

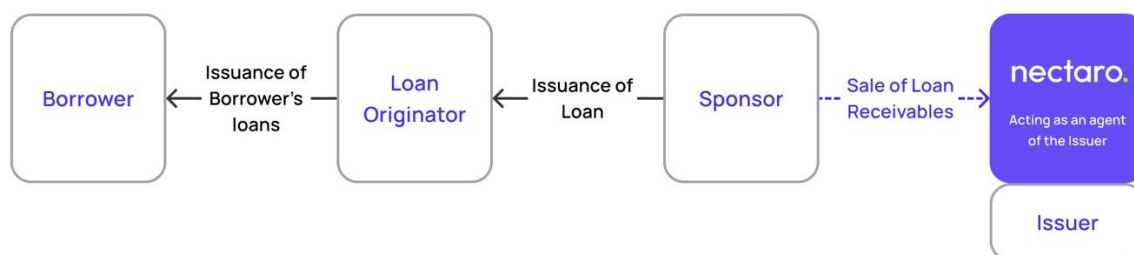
### **4.1. THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES**

#### **4.1.1. The Issuer, Nectaro, the Sponsor and the Loan Originator**

The Issuer, Nectaro, the Sponsor and the Loan Originator have entered the Transaction Documents for the issue and sale of the Notes as described in this Base Prospectus.



#### 4.1.2. Issuance of Loans and transfer of the Loan Receivables by the Sponsor to the Issuer



The Sponsor concludes the Credit Facility Agreement with the Loan Originator under which the Loan Originator, by using the API connection set up with Nectaro, requests withdrawals of Loans within the maximum limit permitted by the Credit Facility Agreement, inter alia with purpose of use of funds for crediting Borrowers. For each Loan the separate Loan Agreement is concluded by and between the Sponsor as a lender and the Loan Originator as a borrower. Funds are disbursed with the account of the Loan Originator. Further the Loan Originator uses these funds for issuance of loans to the Borrowers, and in the Base Prospectus, they are called the Borrower's Loans that are linked with the relevant Loans.

If the Loan Originator's request for Loan meets the requirements under the Credit Facility Agreement, the request is approved and a Loan Agreement is generated for the Loan. Nectaro verifies the information provided through the API. Each Loan Agreement has one Borrower's Loan linked to it as a source of repayment.

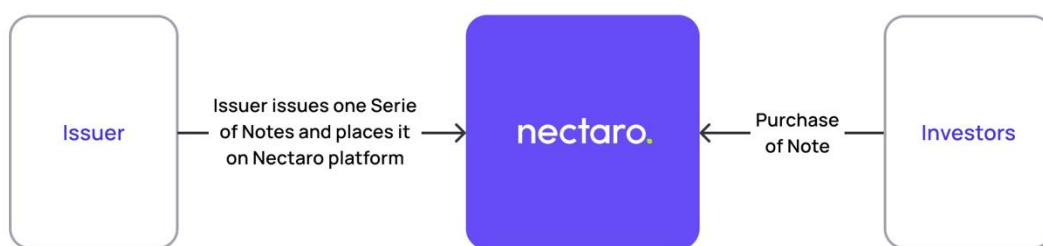
The Sponsor makes, from time to time, an irrevocable offer to sell the Loan Receivables to the Issuer. The offer of Loan Receivables is made prior to the disbursement of Loans and purchase or relevant Notes, i.e. the Loan Receivables are future. The offer for sale of the Loan Receivable is accepted when Issuer and the Sponsor conclude Purchase Agreement. The sale of the Loan Receivables to the Issuer is evidenced by Nectaro generating the Transfer Document. The Loan Receivables are required to meet certain eligibility criteria to form a 'pool' of Loan Receivables to serve as the underlying assets for a particular Series of Notes and to satisfy other conditions precedent.

Payment for the acquired Loan Receivable is subject to placement of the Series of Notes, meaning the Loan Receivables transferred to the Issuer and backing the Series shall be capable to generate funds to service any payments due and payable on the Notes after the issuance of the relevant Loans.

The Loan Originator, the Sponsor, the Issuer and Nectaro agree that Nectaro will act as the paying agent for the Sponsor and the Issuer under the Transaction Documents i.e. the Loan Originator will make payments directly to Nectaro and Nectaro will make payments directly to the Noteholders.

The Loan Originator meanwhile retains full title over the Borrower's Loans that are linked to the Loans as their source of repayment.

#### 4.1.3. Issue of Notes



Once the Issuer has a pool of the Loan Receivables, Nectaro publishes the Final Terms for the relevant Series of Notes on the Platform on behalf of the Issuer. This process is automated and takes place in real-time.

As of the Issue Date, the Notes are publicly offered by the Issuer through the Platform. Investors can purchase Notes from the Issue Date until the Maturity Date of the Notes provided in the Final Terms or until the time when the Notes are fully sold to Investors by the Issuer, whichever occurs earlier. Information about the offer results of the Notes is published on the website [www.nectaro.eu](http://www.nectaro.eu) in real time starting from the Issue Date of the Notes.

The Issuer does not expect any conditions to which offer of the Notes would be subject.

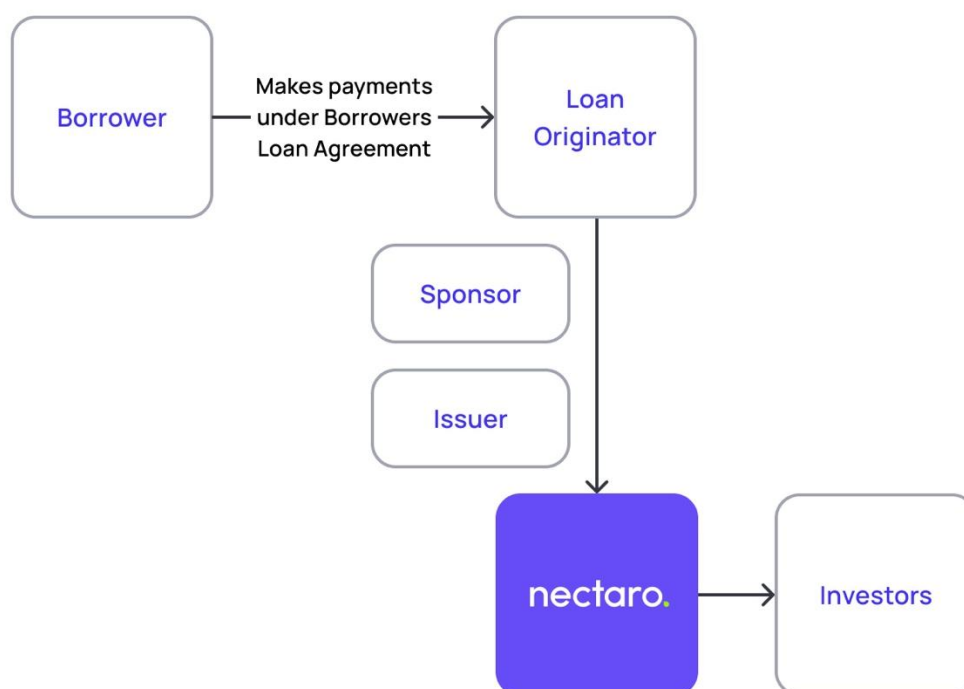
To purchase Notes from the Issuer, the Investor registered on the Platform submits an investment order on Platform, indicating the amount of money that the Investor wishes to invest in particular Notes. The Investor can also use automated portfolio management services provided by Nectaro to purchase the Notes. The process for purchasing Notes is automated and takes place in real-time. When the investment order is accepted the Platform, Nectaro debits cash funds from the Investor's cash account with Nectaro in exchange for delivery of the Notes to the Investor's financial instruments account with Nectaro. Paying for the Notes and delivery of the Notes takes place immediately after the investment order is placed on the Platform. The Notes granted are available as soon as the investment order is executed by Nectaro, by means of the Investor's profile on the Platform. Since the Issuer and Nectaro provide financial services the price of which depends on fluctuations in the financial market, which the service provider is not able to control and which may occur during the withdrawal period for services related to transferable securities, investment orders are executed immediately without providing the so called "period of reflection" to Investors during which Investors are entitled to recall the investment order.

Minimum subscription amount is one Note. Maximum subscription amount is up to the Aggregate Nominal Amount for the relevant Series of Notes, but subject to the nominal amount of the Notes being available for purchase from the Issuer as at execution time of the investment order at Nectaro.

No expenses are expected to be charged to the Investor by Nectaro or the Issuer. Currently there is no financial transaction tax to be applied by the Issuer and/or Nectaro to the Investor in subscribing or purchasing any Note.

The Issuer expects that net proceeds of any Series of Notes will equal the Aggregate Nominal Amount of the relevant Series.

#### 4.1.4. Payments under the Notes



Interest specified in the Final Terms will begin to be calculated and accrue from (and including) the next day when the Investor has acquired the Notes from the Issuer and the Notes are booked by Nectaro in the Investor's financial instruments account.

The Interest and principal payments under the Notes are linked and contingent on corresponding payment being made under the pool of the underlying Loan Receivables, which in turn are linked and contingent to the pool of underlying Borrower's Loan payments. Notes may have different payments which reflect the different Loans issued by the Sponsor to Loan Originator, such as:

1. fully amortising Notes – the principal amount outstanding of the Notes and interest are regularly paid during the term of the Notes so that the principal amount outstanding of the Notes is zero at maturity of the Notes;
2. partially amortising Notes (or 'balloon' Notes) – the principal amount outstanding of the Notes and interest are regularly paid during the term of the Notes but, a 'balloon' of principal amount outstanding of the Notes remains which is paid at maturity of the Notes;
3. interest only Notes – only the interest is regularly paid during the term of the Notes, whilst the principal amount outstanding of the Notes is paid at maturity of the Notes; and
4. bullet Notes – both the principal value outstanding of the Notes and interest are paid at the maturity of the Notes.

#### 4.1.5. The Early Repayment Obligation

The Early Repayment Obligation is the obligation of the Loan Originator to execute Early Repayment Obligation regarding the relevant Loan Receivables from the Issuer, if any payment under any of the relevant Borrower's Loans is delayed by more than 60 days, for the Loan Originator, provided that the Repayment Obligation is stated as being applicable in the Final Terms, or to make early repayment to Nectaro as the paying agent of the Sponsor and Issuer with respect to the affected Loans in full on the occurrence of certain events specified in the Cooperation Agreement and/or the Credit Facility Agreement.

### *Early Repayment Obligation in case of delay by the Borrower*

Early Repayment Obligation in case of delay by the Borrower is introduced with the aim of creating the same economic consequences as in the case of performance of buyback obligation by the loan originator in the direct structure of issuance of the notes via Nectaro. However, taking into account that in the direct structure the Loan Originator does not sell the Notes, but borrows funds from the Sponsor, the application of the buyback obligation to the Loan Originator would not be legally correct.

If the Early Repayment Obligation in case of delay by the Borrower is triggered, the relevant Series of Notes will be redeemed early in part once the Issuer has received the repayment of the relevant Loan Receivables from the Loan Originator.

The early repayment amount corresponds to the total amount of the remaining principal amount of the Loan Receivable and accumulated and outstanding interest as at the time of exercising the repayment.

### *Early Repayment Obligation in case of event of default by the Loan Originator*

Early Repayment Obligation in case of event of default by the Loan Originator arises either with respect to one or several Loan Receivables or it may as well arise with respect to all Loan Receivables.

Individual affected Loan Receivable(s) must be early repaid by the Loan Originator according to the Cooperation Agreement and/or the Credit Facility Agreement if the following occurs:

1. termination by the Loan Originator of a Borrower's Loan Agreement which is linked to the Loan Agreement from which the Loan Receivable arises;
2. in case any of the following events occur:
  - a. the Loan Agreement from which the respective individual Loan Receivable arises is or shall for any reason and by any means become invalid or unenforceable whether in whole or in part or it becomes impossible or unlawful for any party to any such document to perform its obligations under such documents; or
  - b. if, in the reasonable opinion of Nectaro and/or the Issuer and/or the Sponsor the Loan Originator's fraud or fraudulent misrepresentation has been established;
3. with respect to the affected Loan Receivables that is determined in the sole discretion of Nectaro, in case if any of the following events occur:
  - a. if certain representations or warranties of the Loan Originator provided in the Cooperation Agreement with respect to the Borrower's Loan is or proves to have been untrue when made or deemed to be made;
  - b. if a breach of an obligation of the Loan Originator to comply with certain restrictions on amendments to the Borrower's Loan Agreements are not complied with or if the Loan Originator breaches its duties as a servicer of the Borrower's Loans; or
  - c. if it is or becomes unlawful for the Loan Originator to perform its obligations under the Cooperation Agreement or the Credit Facility Agreement according to the applicable laws (i.e. having a retroactive effect).

The above might not be a precise wording of the Cooperation Agreement provisions, however even if the wording is different the description of the essence remains correct.

In case an Event of Default under the Cooperation Agreement has occurred (see paragraph: THE TRANSACTION DOCUMENTS - The Cooperation Agreement – Events of Default), Nectaro is

entitled to request the Loan Originator to make early repayment to Nectaro as the paying agent of the Sponsor and the Issuer with respect to all the Loans. Nectaro has the discretion to request or not to request the early repayment of all the Loans. If the full early repayment is requested, Early Repayment Obligation must be met by way of making repayment to the Sponsor with respect to the Loans in full within the time period, which in most cases is 5 (five) Business Days, but may be set as a longer period of time up to no more than 6 months, after the notice has been given to the Loan Originator regarding the early repayment and the final calculation of the amounts payable is sent to the Loan Originator.

Upon exercising the Early Repayment Obligation, the Loan Originator shall repay the remaining principal amount of the Loan Receivable and pay the accumulated and outstanding interest and other ancillary claims transferred to the Issuer that form part of the Loan Receivable up to date when the Early Repayment Obligation was triggered.

If Early Repayment Obligation is triggered, the relevant Series of Notes will be redeemed early in full or in part once the Issuer has received the repayment from the Loan Originator.

#### **4.1.6. No credit enhancement**

The Notes have no credit enhancements and no liquidity support in relation to payment of interest or principal.

The Issuer, as a special purpose entity, has no obligation to make any payment on the Notes unless sufficient funds have been received from the Sponsor. The Sponsor in turn is dependent on payments on the relevant Loans from the Loan Originator which in turn is dependent on receipt of payments on the relevant Borrower's Loans from Borrowers.

## **4.2. THE TRANSACTION DOCUMENTS**

*The information in this Section is a summary of certain features of the Transaction Documents provided for information purposes only.*

### **4.2.1. The Cooperation Agreement**

#### *General*

The Cooperation Agreement contains the agreement between the Issuer, the Sponsor, the Loan Originator and Nectaro on the matters outlined in the above Section in 4.1 (THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES).

#### *Nectaro*

Nectaro acts as an assignment agent, placement agent, calculation agent, transfer agent and paying agent of the Issuer in relation to the Notes.

#### *Loan servicing*

The Issuer has appointed the Sponsor as the servicer regarding Loan Receivables with Service Rights which includes any and all rights to:

1. service the Loan Receivables;
2. execute all agreements or documents relating to the servicing;
3. collect all payments under the Loan Agreements; and
4. maintain and use all servicing files and other data and information about the Loan Receivables, and about the past, present or prospective servicing of the Loan Receivables.

Nectaro acts as a fiduciary (a calculation agent, transfer agent and paying agent) of the Sponsor in relation to the Loan Receivables. The Sponsor authorised Nectaro as a fiduciary agent in the name of Nectaro, but in favour of the Sponsor:

1. to enter into the Transaction Documents with the Issuer and transfer (assign) Loan Receivables in accordance with provisions of the Transaction Documents;
2. to execute all Transfer Documents;
3. to provide representations referred to in the Transaction Documents on behalf of the Sponsor;
4. to allocate payments of the Loan Originator to Noteholders;
5. to service all loan receivables, including the Loan Receivables, under the Loan Agreements.

The Sponsor has undertaken certain obligations, including:

1. process payments from Nectaro;
2. not to assign, transfer or create any encumbrance over any Loan Receivables.

#### *Borrower's Loan servicing*

Since Borrower's Loan receivables are neither assigned, sold or pledged to the third party, Loan Originator remains the servicer regarding Borrower's Loan receivables with rights to:

1. service the Borrower's Loan receivables;
2. execute all agreements or documents relating to the servicing;
3. collect all payments under the Borrower's Loan Agreements; and
4. maintain and use all servicing files and other data and information about the Borrower's Loan receivables, and about the past, present or prospective servicing of the Borrower's Loan receivables.

Within the scope of servicing obligations, Loan Originator has undertaken certain obligations, including:

1. to collect and process payments from the Borrowers;
2. to transfer payments from the Borrowers to Nectaro as the payments according to the Loan Agreement;
3. not to assign, transfer or create any encumbrance over any Borrower's Loan receivables.

#### *Extensions*

The Loan Originator may modify any of the Borrower's Loan Agreements without approval of the Sponsor, if payments from the relevant Borrower remain unchanged. Similarly, the Sponsor may modify any of the Loan Agreements without approval of the Issuer or the Noteholders, if payments from the Loan Originator remain unchanged.

If provided in the Final Terms, the Loan Originator may extend the repayment schedule of one or more of the Borrower's Loan Agreements without the consent of the Sponsor, the Issuer or the Noteholders if (a) no event of default under any of the Borrower's Loan Agreements is present, and (b) any change is notified on the Platform to the Noteholders. If the Borrower's Loan Agreement is extended, the Loan Agreement that is linked to it is extended for the same period of time.

The Loan Originator may also extend the repayment schedule of one or more of the Borrower's Loan Agreements without the consent of the Sponsor, the Issuer or the Noteholders to comply with any new law or amendment of any existing law or new interpretation of the law, or any decision of any government or municipal if such change is notified on the Platform to the Noteholders.

If the Borrower's Loan Agreement is extended, the Loan Agreement that is linked to it is extended for the same period of time.

#### *Representations and warranties*

The Sponsor has made certain representations and warranties relating to the Loan Receivables including:

1. all necessary and required procedures, checks and assessments have been performed to ensure the validity and enforceability of each of the Loan Agreements;
2. information and documents provided regarding each of the Loans, the Loan Agreements and the Loan Receivables sold to the Issuer are true, correct, and complete;
3. the Sponsor is the sole owner of the Loan Receivables being sold to the Issuer and has full rights and authority to sell and assign the Loan Receivables;
4. Loan Receivables are free and clear of all liens, pledges, or encumbrances.

The Sponsor has warranted that it has all necessary licences, permits and authorisations to conduct its business activities.

The Loan Originator has made certain representations and warranties relating to the Borrower's Loans including:

1. all necessary and required procedures, checks and assessments have been performed to ensure the validity and enforceability of each of the Borrower's Loan Agreements;
2. information and documents provided regarding each of the Borrower's Loans, the Borrower's Loan Agreements and the Borrower's Loan receivables are true, correct, and complete;
3. the Loan Originator is the sole owner of the Borrower's Loans' receivables serving as the ultimate source of repayment of Loans and has full rights and authority to sell and assign the Borrower's Loans receivables, if needed;
4. Borrower's Loans receivables are and will be free and clear of any liens, pledges or encumbrances.

The Loan Originator has warranted that it has all necessary licences, permits and authorisations to conduct its business activities.

Each of the Issuer, the Sponsor, the Loan Originator and Nectaro has ensured the correctness and completeness of all the documents and information being provided by it, as well as its compliance with applicable regulatory requirements.

#### *Indemnities and penalties*

The Sponsor and the Loan Originator have agreed to pay the contractual penalties to Nectaro for breach of any of their obligations indicated in the Cooperation Agreement.

Each of the Issuer, the Sponsor, the Loan Originator and Nectaro has indemnified the others against all losses suffered by or incurred by the others arising out of or resulting from its breach under the Cooperation Agreement.

#### *Events of Default*

The Cooperation Agreement contains a comprehensive list of events that constitute Events of Default. Events of Default under the Cooperation Agreement include events like (the list provided below does not correspond to exact wording used in the Cooperation Agreement and is given merely to illustrate the provisions):

1. non-payment by Loan Originator and / or the Sponsor under the Cooperation Agreement;
2. failure of the Loan Originator and / or the Sponsor to fulfil other obligations under the Cooperation Agreement;
3. an event of default, as such term is defined in this Prospectus (if any);
4. any security documents (if any) having become invalid or unenforceable;
5. insolvency or insolvency proceedings of the Loan Originator and / or the Sponsor occurs;
6. a creditor's process as agreed in the Cooperation Agreement is taking place;

7. intentional misrepresentation by the Loan Originator and / or the Sponsor with respect to the information in this Prospectus that is sourced from the Loan Originator and / or the Sponsor;
8. cross-default and cross-acceleration or certain financial liabilities;
9. occurrence of circumstances regarding the AML (Anti Money Laundering) or sanctions noncompliance that require termination of cooperation with the Loan Originator and / or the Sponsor;
10. cessation of business by the Sponsor or the Loan Originator.

If any Event of Default occurs, Nectaro may stop:

1. the execution of sales of the Loan Receivables to the Issuer;
2. the placement of the Notes on the Platform; and
3. the processing of submitted but not yet executed orders for subscription of the Notes.

Upon occurrence of an Event of Default Nectaro may require the Loan Originator to early repay all the Loan Receivables transferred to the Issuer.

Whether to exercise any the above rights, is a decision that Nectaro makes, acting as an authorized representative of the Issuer in its best interests. It may happen that an Event of Default may be cured or does not negatively affect the ability of the Loan Originator and / or the Sponsor to comply with its obligations under the Cooperation Agreement. Also, there may be other legitimate reasons why Nectaro should not exercise the said rights, and thus none of the said rights are exercised.

#### *Term and termination*

The Cooperation Agreement continues until all liabilities of the Issuer, the Sponsor, the Loan Originator and Nectaro according to its provisions are fully satisfied.

#### *Governing law*

The Cooperation Agreement and any non-contractual obligations arising out of, or in connection with, it is governed by and will be construed in accordance with the laws of the Republic of Latvia.

### **4.2.2. The Credit Facility Agreement and Loan Agreements**

#### *General*

The Credit Facility Agreement is constructed as a revolving facility agreement whereby the Loan Originator may receive Loans from the Sponsor with a maximum limit which as of the date of first Notes' issue hereunder is set at 10 000 000.00 EUR (ten million euro). If Loan is provided with 'skin-in-the-game', the Loan under the Loan Agreement cannot exceed the specific part of the Borrower's Loan that is indicated by the Loan Originator as the source of repayment of the Loan (for example, 90% of the amount of the Borrower's Loan). The size of 'skin-in-the-game' is indicated in the respective Loan Agreement.

#### *Rights and obligations of the parties*

The Loan Originator is entitled to request disbursement of the Loans from the Sponsor with the available maximum limit, provided that the conditions precedent for such disbursements as agreed are met. Requests are made by the Loan Originator sending information to Nectaro according to the Cooperation Agreement through API about the Borrower's Loan it offers as the source of repayment. If the conditions precedent are not met, or other agreed circumstances occur, such as an Event of Default as such is defined in the Cooperation Agreement occurs, the Sponsor may refuse granting of Loans and hence the Loan Agreement may not be concluded and the disbursement of the Loan would not take place.



When the Loan Agreement is concluded the Loan is not immediately disbursed in full by the Sponsor. The Loan is advanced to the Loan Originator in instalments. The instalments become committed by the Sponsor to the Loan Originator when amounts are paid by the Noteholders for the Notes that the Loan is backing. On the Loan amount that is committed by the Sponsor, interest on reservation of the loan accrues, but on the Loan amount that is disbursed interest for use of the loan accrues. The rate for both interests is the same.

The Sponsor and the Loan Originator have agreed that the Loans can be advanced to the Loan Originator either by cash transfer to the Loan Originator's bank account or by the Sponsor setting off the amounts that have become due and payable from the Loan Originator against the Loans that the Sponsor has become obliged to advance.

#### *Terms and termination*

The Credit Facility Agreement and all Loan Agreements continue until all liabilities of the Loan Originator according to its provisions are fully satisfied.

#### *Governing law*

The Credit Facility Agreement and Loan Agreements and any non-contractual obligations arising out of, or in connection with, it is governed by and will be construed in accordance with the laws of the Republic of Latvia.

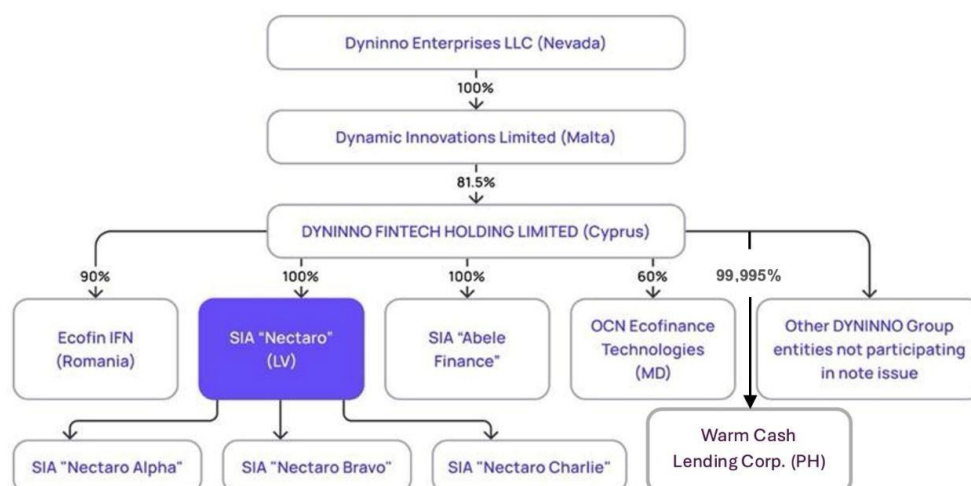
## 5. ISSUER

### 5.1. General

The Issuer is a special purpose undertaking established for the sole purpose of issuing and offering Notes to Investors on the Platform, which are backed by the Loan Receivables acquired from the Sponsor which in turn are linked with the Borrower's Loans provided by the Loan Originator to the Borrowers. The Issuer does not take part in any other business activities.

The Issuer is incorporated as a private limited liability company and registered in the Register of Enterprises of the Republic of Latvia on 19 September 2023 under the name SIA "Nectaro Bravo" with registration number 40203509066. It operates under the laws of the Latvia and has its registered office at Latvia, Riga, Jeruzalemes iela 1. The Legal Entity Identifier (LEI) of the Issuer is: 984500ZIBSCE8D57EJ77.

The share capital of the Issuer is EUR 2800 consisting of 28 shares in registered form having a nominal value of EUR 100 which is fully paid up. The share is entitled to 1 vote. The shareholder of the Issuer is SIA Nectaro.



The Issuer has no subsidiaries and does not own any shares or equity.

The Issuer is managed by the Management Board, the member being appointed by the shareholder of the Issuer.

Title	Name	Other roles
Member	Sigita Kotlere	Member of the Management Board of SIA Nectaro, SIA "Nectaro Alpha", SIA "Nectaro Finance", SIA "Nectaro Charlie".
Member	Igors Petrovs	Member of the Management Board of SIA Nectaro, SIA "Nectaro Alpha", SIA "Nectaro Finance", SIA "Nectaro Charlie".

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, the articles of association of the Issuer can be accessed on [www.nectaro.eu](http://www.nectaro.eu).

## 5.2. Activities

The activities of the Issuer are as follows:

1. issue and public offer of Notes to the Investors, including preparation and submission of this Base Prospectus to Latvijas Banka and publication of the Base Prospectus on the Platform;
2. purchase of Loan Receivable from the Sponsor arising from the Loans issued to the Loan Originator;
3. payments under the Notes through Nectaro, subject to receiving relevant funds from the Sponsor; and
4. publication of financial and other information to Investors in accordance with applicable law.

## 5.3. Financial information

The latest available audited historical financial information of is available on Nectaro's website:

19.09.2023 - 31.12.2024: [https://uploads.nectaro.eu/NB\\_GP\\_ENG\\_18a34322c8.pdf](https://uploads.nectaro.eu/NB_GP_ENG_18a34322c8.pdf)

Auditor's Report:

[https://uploads.nectaro.eu/Nectaro\\_Bravo\\_Auditor\\_s\\_report\\_2024\\_ENG\\_b94ac33407.pdf](https://uploads.nectaro.eu/Nectaro_Bravo_Auditor_s_report_2024_ENG_b94ac33407.pdf)

Since the date of the last published audited financial statements, the Issuer continues to maintain a stable financial position, with no significant changes also in 2025.

For accounting purposes, Loan Receivables are classified as a pass-through of a financial asset under International Financial Reporting Standard (IFRS) 9 3.2.5.

## 5.4. Authorisation

The establishment of this Programme and the issue of Notes has been duly authorised by Issuer's shareholder's decisions on 15 January 2026.

## 5.5. Significant or material change

At the date of this Base Prospectus, there has been no significant or material change in the financial position of the Issuer since the date the last annual report.

## 5.6. Litigation

The Issuer (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base

Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.

## 6. NECTARO

Nectaro, under the name SIA Nectaro (previous name Dofinance, SIA), has been registered as a limited liability company on 30 August 2016 in the Commercial Register of the Republic of Latvia having the unified registration number 40203016025.

All shares in Nectaro are held by DYNINNO FINTECH HOLDING LIMITED as its sole shareholder with ultimate beneficial owner being Alex Weinstein (indirectly 81.5%, through Dyninno Enterprises LLC (registered as limited liability company in Las Vegas, USA with registration number NV20181116744) and Dynamic Innovations Limited (registered as limited liability company in Malta with registration number C71892) and further through DYNINNO FINTECH HOLDING LIMITED holding 100% of share capital of Nectaro).

Nectaro has been authorised as an investment firm by Latvijas Banka on 29 March 2023 to provide following investment services and auxiliary (non-core) investment services:

1. execution of orders on behalf of clients;
2. portfolio management;
3. placing of financial instruments without a firm commitment basis;
4. holding of financial instruments;
5. provision of services related to the initial placement of financial instruments.

Nectaro provides services in Latvia and is authorised to offer its services in Austria, Germany, Italy, Netherlands and Spain. Nectaro has not commenced providing services in any other country at the date of this Base Prospectus but may do so during the period of validity of this Base Prospectus.

Cash funds of Investors are held by Nectaro with partner bank, Swedbank.

Nectaro owns and operates the Platform which is the technical infrastructure through which (1) the Sponsor sells Loan Receivables to the Issuer, (2) the Issuer offers and sells Notes to Investors and (3) information exchange and money flows occur between Investors, the Issuer, the Sponsor and the Loan Originator.

Key activities performed by Nectaro with respect to Notes are as follows:

1. opens and services Investment Accounts for Investors and (1) carries out anti-money laundering, combating the financing of proliferation and terrorism and know your client policies and procedures, (2) carries out appropriateness and suitability tests, (3) responsible for compliance with product governance requirements and (4) informs Investors regarding the risks inherent in the products and services depending on the status of the Investor;
2. prepares this Base Prospectus and engages lawyers and other advisors and submits it to Latvijas Banka for approval;
3. operates the Platform for (1) Investors to acquire Notes and receive automated portfolio management services and (2) the Issuer, the Sponsor and the Loan Originator to transfer title in the Loan Receivables and exchange information in relation to the Loan Receivables, including, the Borrower's Loans;
4. acts as a placement, calculation, transfer and paying agent for the Notes including (1) transfer of funds to the Issuer following placement of Notes, (2) authorised to act as a fiduciary agent with respect to all Loan Receivables transferred by the Sponsor via Platform to the Issuer, (3) settlement of payments due between the Issuer and the Sponsor, (4) payments to the Investment Accounts, (5) provision of information regarding Investors to the Issuer to calculate any withholding taxes on payments, (6) provision of information on Payment Events

through API from the Sponsor, (7) settlement of payments due between the Sponsor and the Loan Originator;

5. maintains the register of Noteholders;
6. complies with the Transaction Documents including monitoring of compliance of the Sponsor and the Loan Originator with the covenants and other provisions of the Transaction Documents;
7. prepares and submits reports for legal and regulatory purposes to Latvijas Banka, the Latvian State Revenue Service and others.

## **7. SPONSOR**

### **7.1. Business overview**

The Sponsor is a special purpose undertaking established for the sole purpose of issuing business loans to the loan originators and sell those loans to the issuers of financial instruments. Loan Receivables sold to the Issuer back the Notes issued and offered to Investors on the Platform.

The Sponsor is based in the Republic of Latvia, incorporated on 13 December 2023, and operating under the laws of the Republic of Latvia as a limited liability company. The Sponsor is registered in the Register of Enterprises of the Republic of Latvia under the name SIA "Nectaro Finance" with registration number 40203527589. No license is required to issue business loans in Latvia and Moldova. The Sponsor has its registered address in Latvia, Riga, Jeruzalemes iela 1.

The activities of the Sponsor are as follows:

- issuance of loans to the Loan Originator and loans to other loan originators that are subsidiaries of the Sponsor and use the Platform;
- selling of Loan Receivables that arise from Loans to the Issuer;
- publication of financial and other information to Investors in accordance with applicable laws;

### **7.2. Financial information**

The latest available historical financial information of is available on Nectaro's website:

13.12.2023. - 31.12.2024.:

[https://uploads.nectaro.eu/SIA\\_Nectaro\\_Finance\\_GP\\_2024\\_ENG\\_26ffc728eb.pdf](https://uploads.nectaro.eu/SIA_Nectaro_Finance_GP_2024_ENG_26ffc728eb.pdf)

The financial statements is prepared in accordance with the Latvian Generally Accepted Accounting Principles (GAAP) and in accordance with the International Financial Reporting Standards.

The Company is not subject to mandatory statutory audit of the annual report, as it qualifies as small company in accordance with Section 3, Paragraph one, Point 1 and Section 91 Paragraph 2 Point 1 of the Law on Annual Reports and Consolidated Annual Reports. This provision stipulates that a sworn auditor's audit is required only if a company exceeds, for two consecutive years, at least two out of the following three criteria: a balance sheet total of EUR 1,000,000, net turnover of EUR 2,000,000, or an average number of 50 employees during the financial year. Since the Company does not exceed these thresholds, an audit is not mandatory and the annual report is submitted unaudited. At the same time, the Company plans that in the next financial year the annual report will be audited in order to ensure greater transparency and reliability. That's why for the time period 13.12.2023 - 31.12.2024. has been made a decision not to perform audit of financial report.

### **7.3. Auditors**

As in accordance with the legislation of the Republic of Latvia the Sponsor was not obliged to perform financial audit on the annual report, the financial information represented in section 7.2. of

this Prospectus are not audited for 2023. and 2024. financial years. And the same for year 2025 - if the Sponsor will be obliged to perform financial audit, then it will be audited, the planned auditors might be SIA BDO ASSURANCE registered in Republic of Latvia, 18 September 2018 with registration number 42403042353.

#### **7.4. Litigation**

The Sponsor (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Sponsor is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Sponsor.

#### **7.5. Loan issuance process**

The Sponsor issues the Loan to the Loan Originator in the amount that is equal to the respective outstanding principal amount of Borrower's Loan (in case of no 'skin-in-the-game') or in the amount that is equal to the respective outstanding principal amount of Borrower's Loan minus the 'skin-in-the-game' (in case if the 'skin-in-the-game' is specified in the respective Loan Agreement), and then the Sponsor sells the relevant Loan Receivables to the Issuer. The Issuer issues a Series of Notes corresponding to these Loan Receivables to Investors via Nectaro. When an Investor purchases any Note of the Series, the Investment Account is credited with the Notes and debited with the purchase price of the Note. The purchase price is transferred to the Sponsor.

Loans issued by the Sponsor to the Loan Originator have the same schedule as the Borrower's Loans to which the repayment of Loans is tied to. Hence, the average Loan term and its range are expected to be the same as described in Section 10 (THE BORROWER'S LOANS). Loans are not secured.

The Loan documentation is signed electronically. The Loan is disbursed via bank transfer after the preconditions of Loan issuance are met.

#### **7.6. Administrative, management and supervisory bodies**

The following table shows the main administrative and managerial positions of the Sponsor.

<b>Name</b>	<b>Position / function</b>	<b>Education and business experience summary</b>
Sigita Kotlere	Member of the Board	Member of the Management Board of SIA Nectaro, SIA "Nectaro Alpha" SIA "Nectaro Bravo", SIA "Nectaro Charlie".
Igors Petrovs	Member of the Board	Member of the Management Board of SIA Nectaro, SIA "Nectaro Alpha" SIA "Nectaro Bravo", SIA "Nectaro Charlie".

#### **7.7. Shareholders**

The share capital of the Sponsor is EUR 6 300 divided into 63 shares, each share having one voting right. The capital is fully paid up. Ultimate beneficial owner of the Sponsor is Alex Weinstein (indirectly 81.5%, through Dyninno Enterprises LLC (registered as limited liability company in Las Vegas, USA with registration number NV2018116744) and Dynamic Innovations Limited (registered as limited liability company in Malta with registration number C71892) and further through DYNINNO FINTECH HOLDING LIMITED holding 100% of share capital of the Sponsor).

## 8. LOAN ORIGINATOR

### 8.1. Business overview

The Loan Originator is a consumer lending services provider, organized as limited liability company (exempt private company limited by shares), incorporated on 30 July 2018 in the Republic of Moldova registered with the Register of National Commission for Financial Markets under registration number 1018600034829 and offering consumer lending services in Moldova. The Loan Originator has its registered office at Republic of Moldova, Chisinau, Bl. Dacia 31 (legal address), Puskin Street 26/B (head office).

The Loan Originator offers a consumer loan products with a term of up to 5 years. Loans are offered online via website <https://creditprime.md>. Customers of the Loan Originator are only consumers. The convenient and fast process offered by the Loan Originator is highly valued by the customers.

The business model of the Loan Originator is built around granting non-bank loans to physical persons.

### 8.2. Borrower's Loans

The main products of the Loan Originator are the VIS line of credit. The Loan Originator's products can be accessed remotely, and it is possible to apply for a loan via the website or over the phone. The most popular product offered by the Loan Originator is the VIS line of credit, a convenient and profitable loan that allows the customer to use the money repeatedly within the approved credit limit. Interest accrues only on the amount used. The Loan Originator offers several ways for customers to receive their money, through its partners, namely: transfer to a bank account or card or cash.

Borrower's Loan is a revolving loan, as the Borrower is allowed to draw the loan repeatedly, up to the maximum amount of the granted credit limit. The Borrower can apply for an additional amount, which is an additional principal amount of top of already issued loan amount. The total issued principal amount, including such additional amount to be issued, cannot exceed the individually set credit limit for each individual Borrower.

The key competitive advantages of the Loan Originator are:

The Loan Originator's products can be accessed remotely, and it is possible to apply for a loan via the website or over the phone.

One of the advantages of the Loan Originator is a powerful 24/7 customer service. The customer can leave a message to the Loan Originator at any time, and the Loan Originator will answer the customer with priority during business hours.

The unique feature for the customers is opportunity to get the loan 100% online and in a flexible approach as the Loan Originator is offering credit lines. The average loan amount granted to a customer is MDL 11 000 (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~570) and ranges from MDL 5000 to MDL 70 000 (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals from EUR ~259 to EUR 3625). The average term of the loan is 2 years.

### 8.3. Financial information

The latest available audited historical financial information of the Loan Originator is available on Nectaro website:

2023: [https://uploads.nectaro.eu/Binder14\\_e72c5baa8c.pdf](https://uploads.nectaro.eu/Binder14_e72c5baa8c.pdf)

2024: [https://uploads.nectaro.eu/MD\\_Audited\\_financial\\_report\\_for\\_2024\\_f6fb64a91a.pdf](https://uploads.nectaro.eu/MD_Audited_financial_report_for_2024_f6fb64a91a.pdf)

Figures in the audited financials 2023 and 2024 are indicated in Moldovan leu (MLD). Financial reports for year 2023 and for year 2024 are prepared in accordance with the International

Standards on Auditing ("ISAs") and the Law on Audit of Financial Statements No. 271 dated 15.12.2017 (hereinafter "Law 271/2017"), and with accordance to International Financial Reporting Standards (IFRSs).

Since the date of the last published audited financial statements, the Loan Originator continues to maintain a stable financial position, for year company had a profit of MDL 17 228 694 (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~892 188), with no significant changes or occurrences that would adversely impact its ability to meet its obligations to Noteholders, furthermore, there has been no material adverse change and no significant change in the financial performance of the Loan Originator.

In accordance with auditor's report: "We draw attention to Note 27 "Related party transactions" of the financial statements, which describes the balances and transactions with related parties. Our opinion is not modified in respect of this matter. The Note 27 presents the balances of transactions with related parties as of December 31, 2024, as well as revenues, expenses resulting during 2024 from transactions. Thus, given the nature of the affiliation, it is not objectively possible to determine whether these transactions would have been carried out on the same terms and conditions if the parties has not been related. Thus, Management monitors the performance of these transactions".

#### **8.4. Auditors**

The statutory auditors for the audited financial statements as of and for the financial year 2023 was S.R.L. MOORE STEPHENS KSC, with registration number 1004600066436, but auditors for the audited financial statements as of and for the financial year 2024 was Crowe Audit FPA SRL, with registration number 1003600117995.

#### **8.5. Litigation**

The Loan Originator (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Loan Originator is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Loan Originator.

#### **8.6. Borrower's Loan issuance process**

The steps in the loan underwriting process include, in order: (1) Borrower's registration on the Loan Originator's website <https://creditprime.md>; (2) Borrower's application for a Borrower's Loan online on the website <https://creditprime.md>; (3) identification of the Borrower done by the Loan Originator; (4) risk assessment and scoring with respect to the Borrower done by the Loan Originator; (5) conclusion of the Borrower's Loan Agreement on the website <https://creditprime.md>; (6) issuance of the Borrower's Loan.

#### **8.7. Underwriting**

The underwriting process is structured in two parts:

The automated part is based on pre-defined risk profiles, scoring models and information provided by the customer on the online platform <https://creditprime.md>. After passing this part, the application can be pre-approved or rejected by DMS (an internal IT system of the Loan Originator). If the application is pre-approved, the customer should receive a system SMS on their registered personal phone number with a confirmation code for the offer. If the customer signs the pre-approved terms by entering the confirmation code on the Loan Originator's online platform, the manual part of the underwriting verification takes place.

The manual part consists of customer profile and data analysis (personal data, credit history, income data, ID & required documents verification, AML (including PEP & internal sanction list), anti-fraud verification call). If the customer passes all these checks, the application can be



confirmed and the loan can be activated. The requested amount can be transferred to the customer. The signed agreement should be issued and sent to the customer.

If the customer did not pass all the checks or refused for some reason, the application should be cancelled.

### **8.8. Issuance of the Borrower's Loan**

The Borrower's Loan documentation is confirmed online on the Loan Originator's website <https://creditprime.md>. The Borrower's Loan is disbursed via bank transfer or in cash through the Moldova Post Station as a partners of the Loan Originator after the preconditions of Borrower's Loan issuance are met.

### **8.9. Debt recovery**

The Loan Originator has an effective debt collection process, where the strategy is to offer individual debt restructuring solutions depending on the Borrower's circumstances and previous payment discipline.

Debt recovery measures depend on the stages of the overdue Borrower's Loan. The Loan Originator considers a Borrower's Loan as non-performing if it is more than 90 days overdue. Debt recovery process encompasses below listed stages:

1. Automatic reminders (SMS/Mail): -2 Days Past Due (DPD), 0 DPD, 1 DPD, 3DPD, 7 DPD, 15 DPD, 20 DPD, 30 DPD, 31 DPD, 35 DPD, 40 DPD, 45 DPD, 60 DPD, 75 DPD. Communication with the Borrower is via phone/email/messengers. By phone, the Borrower is called in two ways, manually by the debt collectors and by the internal dialer system. Maximum 10 calls per day.
2. Starting with 1 DPD up to 91 DPD, the Borrower is processed internally.
3. Starting with 45 DPD, some of the Borrowers are transferred to the sub-department FIELD Collection Internal
4. From 91 DPD, part of the Borrower's Loans are sold to the law firms INCASO and PFB
5. From 91 DPD, part of the Borrower's Loans will be submitted to the internal legal process.
6. The restructuring process: an operation carried out by the creditor with the aim of helping Borrowers to overcome situations of temporary financial difficulty arising during the term of the agreements.
7. Restructuring conditions:
  1. no interest will be charged;
  2. no penalties for late payment;
  3. frequency of payments – once every 30 days;
  4. number of instalments into which the debt can be divided – 3-24 due dates.

The main indicators the Loan Originator follows are Daily Recovery, Roll Rates MTD or Monthly.

Daily Recovery is the daily amount recovered in relation to the total overdue amount per separate bucket.

Roll Rates represent the ability to get out of arrears after a certain period of time.

As an approximation, in recent months approximately 54-57% of customers entered 1DPD, up to 5DPD they reached ~26%, 11DPD - 13%, 16DPD - 9%, 31DPD - 5%, 61DPD - 3.5%.

### **8.10. Administrative, management and supervisory bodies**

The following table shows the main administrative and managerial positions of the Loan Originator.



Name	Position / function	Education and business experience summary
Lilian Guzun	General Manager	Lilian obtained his education at the prestigious ABA Stonier Graduate School of Banking, where he acquired advanced skills in commercial banking and financial management. He also holds a Master's degree in Finance and a Bachelor's degree in Economics. For the past five years, Lilian has served as a CEO of a bank and a leading consumer lending provider, working for some of the most recognizable brands in Moldova. Prior to that, he gained experience in internal audit, controls, and risk management in the microfinance, fintech, and telco sectors. His expertise in leading teams, handling operations, and adhering to regulatory standards has earned him trust and respect within the industry. He does not hold positions in other companies.
Natalia Tovcaci	Key Account Manager	Natalija is a highly skilled and experienced professional with a strong background in key account management. She holds a solid educational foundation, having completed her studies at both Universitatea Cooperatist Comercială din Moldova and Academia de Studii Economice din Moldova. For the past three years, she has been a Key Account Manager at one of the most renowned telecommunication companies in Moldova. She does not hold positions in other companies.

### 8.11. Shareholders

The share capital of the Loan Originator is MDL 23 000 000 (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~1 191 056) of which AB Natur Invest LLC holds 40% of the shares (MDL 9 200 000 (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~476 422)) and Dyninno Fintech Holding Limited - 60% (MDL 13 800 000 (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~714 633)). The capital is fully paid up and all shares encompass the same rights. Ultimate beneficial owners are Alexandr Bilinkis, Boris Efimov, Dimitrijs Cimbers and Alex Weinstein.

## 9. THE LOANS

### 9.1. Legal nature, jurisdiction and the applicable law of the Loans

The Loans are business loans made under the Loan Agreement. The Loans are further lent to the Borrowers. Each Loan is linked to specific Borrower's Loan. Hence the repayment of Loan principal and payment of interest are done when the Borrower(-s) whose loan was linked to a particular

Loan, has repaid Borrower's Loan principal and paid the interest. Nevertheless, the Loan principal shall be repaid and interest for the whole period of use of the Loan shall be paid at the maturity.

Since the Borrower's Loan is a revolving loan and the Borrower is allowed to draw the Borrower's Loan in several instalments or repeatedly, up to the maximum amount of the granted credit limit, one Borrower's Loan may be linked with several Loans. When the Borrower's Loan is getting linked with the Loan to be listed on the Platform first time, the outstanding principal of such Borrower's Loan on the day of the listing of the Loan is linked to such Loan and treated as a separate Borrower's Loan. Further, if after such first listing the Borrower draws new instalment or repeatedly, such additional outstanding principal issued to the Borrower may be linked to a new Loan and treated as a separate Borrower's Loan. Loans linked with the same Borrower's Loan, but with different parts of outstanding principal amount of such Borrower's Loan at the respective moment when they are linked with the Loan, may be pooled in different Series of Notes.

There is a late payment interest for delay of payments by the Loan Originator arising from the Loan Agreement: 0.1% (zero point one per cent) per each day of delay, but not exceeding 10% (ten percent) of the delayed amount in total.

The Credit Facility Agreement and the Loan Agreement is subject to the amendment and/or variation from time to time as provided in the Section 4.2 (THE TRANSACTION DOCUMENTS) of this Base Prospectus.

The Credit Facility Agreement and the Loan Agreement are governed by the laws of Republic of Latvia.

## **9.2. Repayment and maturity**

Repayment of the Loan principal and payment of the interest is done when the Borrower whose Borrower's Loan that is the source of repayment of the respective Loan makes payments under the Borrower's Loan Agreement to the Loan Originator, however not later than until the maturity date set forth in the Loan Agreement or as extended according to this Base Prospectus. The annual percentage rate (APR) ranges from 9% to 15%. The term ranges from 1 month – 5 years.

If before the final maturity date set forth in the Loan Agreement the Early Repayment Obligation is triggered, the Loan Originator has to repay the Loan together with the interest and other ancillary payments accrued thereon when the respective obligation is triggered, irrespective of it being before the final maturity date.

Loan Originator may repay the outstanding balance in full or in part. In such case the Loan Originator is obliged to repay outstanding Loan principal and pay the accumulated interest. Interest will be charged on daily basis for the whole period of use of the Loan. Interest payable for one day is calculated as per interest rate stipulated in the Loan Agreement with the assumption that a month consists of 30 days and a year consists of 360 days respectively.

## **9.3. LTV (loan to value)**

The maximum Loan-to-value ratio for the credit line issued under the Credit Facility Agreement ranges from 90% to 100%.

## **9.4. Loan Originator as borrower**

Loan Originator is the subsidiary of DYNINNO FINTECH HOLDING LIMITED (Cyprus). Loan Originator's only business is lending monetary funds to the consumers in Moldova. Loan Originator offers unsecured revolving consumer loans. Further and detailed data on Loan Originator's business is provided in Section 8 (THE LOAN ORIGINATOR).

## 10. THE BORROWER'S LOANS

### 10.1. Legal nature, jurisdiction and the applicable law of the Borrower's Loans

Main applicable laws and regulations in respect of lending business in Moldova and respectively to Borrower's Loans are:

- Law No 1 of 16 March 2018 on Non-Banking Credit Organizations;
- Law No 202 of 12 July 2013 on Consumer Credit Agreements;
- Law No 308 of 22 December 2017 on combating money laundering and terrorist financing and amendment by Law 66/2023;
- Regulator's Regulation on Responsible Lending;
- Law No 133 of 08 July 2011 on the Protection of Personal Data and the Law 195/2024 on personal data protection, which will enter into force 24 months after its publication in the Monitorul Oficial (i.e., in August 2026);
- Law No 105 of 13 March 2003 on Consumer Protection;
- CIVIL CODE of the Republic of Moldova.

Prior granting and disbursement of the Borrower's Loan, the Loan Originator evaluates the creditworthiness of Borrower, including verification process of data and document accuracy submitted by the potential Borrower.

The Borrower's Loans are consumer loans made under the Borrower's Loan Agreement. Borrower's Loans are used for personal needs, with no mandatory obligation to provide additional proof of the scope of loan use.

If the monthly payments are not made in full, during the period of validity of the Borrower's Agreement, the following sequence of debt service payments on the credit is used:

- 1) current contract interest;
- 2) credit management fee;
- 3) current principal;
- 4) outstanding contractual interest;
- 5) principal outstanding.

For a Borrower's Loan, the annual interest rate is 50%, the management fee is 0.04% per day and the annual percentage rate is already calculated according to the loan amount. There are no penalty fees.

The Borrower's Loan Agreement is subject to the amendment and/or variation from time to time as provided in the Section 4.2.1 (The Cooperation Agreement) of this Base Prospectus.

The Borrower's Loan Agreement is governed by the laws and regulations of the Republic of Moldova.

### 10.2. Repayment and maturity

Under the Borrower's Loan, the Borrower makes principal and interest payments on a pre-agreed schedule. The annual percentage rate (APR) is fixed - 63% approximately. The term ranges from 3 to 60 months with the average term being 24 months.

Borrowers may repay the outstanding balance in full or in part without notifying the Loan Originator. In such a case the Borrower is obliged to pay the Loan Originator the unpaid part of the principal, the accumulated interest. Interest will be charged on daily basis for the whole period of use of the Borrower's Loan. Interest payable for one day is calculated as per interest rate stipulated in the

Borrower's Loan Agreement with the assumption that a month consists of 30 days and year consists of 360 days respectively.

### 10.3. Economic environment in Moldova

Fiscal dynamics in 2024 showed some improvement: the IMF projects that the budget deficit fell to about 4.4 percent of GDP, down from 5.2 percent in 2023.

Nonetheless, external vulnerabilities remain, especially given the large current account gap and dependence on external financing.

On the reform front, Moldova has continued its push to modernize its institutions. A World Bank Country Economic Memorandum, published in late 2024, highlights the need for productivity gains, greater public investment, stronger rule of law, and better alignment with EU standards.

There is also ongoing work to reform state-owned enterprises, reduce state interference in pricing, and encourage more competition.

Structural challenges remain entrenched: undeclared work, weak governance, and limited institutional capacity still weigh on long-term development. The banking sector, however, remains relatively stable and well capitalized, helping to preserve financial stability.

In the labor market, Moldova faces a shortage of skilled workers. The government has doubled down on its education and training reforms, trying to better match labor-force skills with market demands — including via dual-education programs and stronger engagement with social partners.

Energy security and EU integration are central to Moldova's economic strategy. In 2024, the country deepened ties with the EU (including through the EU Growth Plan), while also expanding investments in energy infrastructure and renewables to reduce vulnerability to external shocks.

Despite progress, the savings-investment gap is large, and foreign direct investment (FDI) remains modest. To improve its investment climate, Moldova continues to pursue structural reforms, regulatory improvements, and greater legal protection for investors.

According to the IMF projection, GDP growth is expected to slow sharply to 0.6 percent in 2025, making Moldova one of the weakest performers among emerging regional economies. The IMF also forecasts inflation to rise to about 8 percent in 2025, up from 4.7 percent in 2024. The current account deficit is projected by the IMF to narrow somewhat, from around 16.1 percent of GDP in 2024 to 14.5 percent in 2025. The World Bank remains more optimistic, estimating GDP growth of 3.9 percent in 2025 and 4.5 percent in 2026, assuming reforms progress and investment recovers.

### 10.4. Borrowers

Borrowers of the Loan Originator are consumers.

Advantages of the credit line:

- up to MDL **150 000** (which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~7 768) without collateral,
- the loan term is chosen by the customer, up to 60 months,
- first 30 days free for **new customers**,
- the approval in 2 minutes, on any day, including weekends and holidays,
- easier than at the bank,
- customers receive the money immediately via MIA, bank card or cash.

Borrowers are slightly predominantly females (51% compared to 49% being males). Most of the Borrowers have graduated university and hold a bachelor's degree or similar (such being about

65% of total number of the Borrowers) and are employed in private sector (ca. 60%). All Borrowers must have a source of income; hence Borrower's Loans are not disbursed to unemployed (including students). The Debt-to-Income (DTI) ratio can range from 5% to 40%/55% (the limit was established by local regulator).

### 10.5. Borrower's Loan portfolio data

As of 31 December 2024, the Loan Originator's total portfolio of gross receivables was MDL 146 300 which according to the currency exchange rate of National Bank of Moldova on the 31.12.2024 is equals to EUR ~7 576. The tables below demonstrate the Loan Originator's loan portfolio in terms of Due (DPD).

#### *Borrower's Loan portfolio breakdown by DPD*

Days Past Due	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Current %	79,35%	79,46%	82,13%	82,92%	76.7%	76.1%	75.3%
1-30 days %	8,68%	9,52%	7,86%	7,55%	10.3%	10.5%	11.6%
31-60 days %	2,08%	1,78%	1,65%	2,02%	3.3%	3.3%	4.3%
61-90 days %	1,34%	1,46%	1,06%	1,27%	3.0%	3.5%	2.7%
91-180 days %	0,77%	0,05%	1,10%	0,68%	1.0%	1.3%	0.8%
181-360 days %	0,78%	0,85%	0,52%	0,85%	1.4%	1.3%	1.6%
>360 days %	7,00%	6,89%	5,68%	4,70%	4.3%	4.1%	3.8%

## 11. TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (the **Terms and Conditions**) which, together with the relevant Final Terms, will be applicable to the specified Series of Notes. The relevant Final Terms will complete the Terms and Conditions in relation to each Series of Notes.

Save where the context requires otherwise, references in the Terms and Conditions to **Notes** are to the Notes of one Series only, not to all Notes of other Series that may be issued under these Terms and Conditions.

In these Terms and Conditions, unless the context otherwise requires, words denoting the singular include the plural and *vice versa*.

The use of the word "including" means "including without limitation".

In these Terms and Conditions, references to a specified Condition will be construed as a reference to that specific Condition of these Terms and Conditions as in force for the time being and as amended or supplemented from time to time.

The headings are inserted for convenience of reference only and will not affect the interpretation of these Terms and Conditions.

In these Terms and Conditions, reference to any other document will be construed as references to that document as in force the time being and as amended, supplemented or substituted.

Words and expressions used in these Terms and Conditions in capitals and not defined will have the meanings given to them in the Final Terms unless the context otherwise requires or unless otherwise stated.

### 11.1. DEFINITIONS

In these Terms and Conditions, unless the context otherwise requires, the following definitions will apply:

**Aggregate Nominal Amount:** the aggregate nominal amount of the Notes as specified in the Final Terms.

**API:** application programming interface to exchange and transmit information and data between the Issuer, the Loan Originator, the Sponsor and Nectaro.

**Available Distribution Amount:** the amounts received by the Issuer from the Series Specific Loans.

**Base Prospectus:** the base prospectus in relation to the Notes.

**Borrower:** the debtor as per Borrower's Loan Agreement.

**Borrower's Loan:** the principal amount outstanding under the Borrower's Loan Agreement.

**Borrower's Loan Agreement:** the loan agreement between the Loan Originator and the Borrower as specified in applicable Loan Agreement and Final Terms.

**Business Day:** any day on which banks in the Republic of Latvia are open for business, except for Saturdays, Sundays, and national holidays of the Republic of Latvia.

**Cooperation Agreement:** the cooperation agreement between the Issuer, the Sponsor, the Loan Originator and Nectaro in relation to the Notes.

**Credit Facility Agreement:** the credit facility agreement No. 2023/12-MD between the Loan Originator as a borrower and the Sponsor as a lender whereby the said parties agree on how the Loan Agreements are concluded and, on the terms, and conditions of disbursement and repayment of Loans issued to the Loan Originator thereunder.

**Early Repayment Amount:** the maximum acceptable level of defaults of the Loans to be early repaid when exercising the Early Repayment Obligation.

**Early Repayment Obligation:** the obligation of the Loan Originator to early repay the relevant Loan to the Sponsor, if any payment under any of the relevant Loans is delayed by more than 30 days subject to Early Repayment Obligation being stated as applicable in the Final Terms.

**Final Terms:** the final terms of the Notes.

**Grace Period:** the number of days specified in the Final Terms relating to any grace period in the Series Specific Loans for bank-to-bank payments, national holidays and specific debt collection policies of the Loan Originator and/or the Sponsor.

**Interest:** the interest under the Notes or the Series Specific Loans.

**Interest Accrual Periods:** the periods during which Interest accrues on the Notes as specified in the Final Terms.

**Interest Payment Date:** each date on which Interest is payable under the Notes as specified in the Final Terms.

**Interest Rate:** the rate at which Interest accrues on the Notes as specified in the Final Terms.

**Investment Accounts:** the financial instruments account and the cash account of the Investor opened with Nectaro.

**Issue Date:** the issue date of the Notes, i.e. the date on which the Notes are first made available for subscription as specified in the Final Terms.

**Issuer:** SIA “Nectaro Bravo” incorporated as a private limited liability company and registered in the Republic of Latvia with registration number 40203509066 on 19 September 2023, a special purpose entity whose principal purpose is the issue of Notes.

**Issuer’s Account:** the cash funds account of the Issuer opened by Nectaro which is used solely for settling payments with the Sponsor, the Loan Originator, and the Noteholders.

**Loan:** the principal amount outstanding under the Loan Agreement.

**Loan Agreement:** each loan agreement between the Loan Originator as a borrower and the Sponsor as a lender as specified in applicable Final Terms.

**Loan Originator:** OCN “Ecofinance Technologies” SRL (CreditPrime), incorporated as a limited liability company (exempt private company limited by shares) and registered in the Republic of Moldova with registration number 1018600034829 on 30 July 2018.

**Loan Originator’s Payment:** any payment made by the Loan Originator under the Series Specific Loans.

**Loan Final Repayment Date:** the scheduled final repayment date of the Series Specific Loans as specified in the Final Terms.

**Loan Interest Payment Date:** each date on which Interest is payable under the Series Specific Loans as specified in the Final Terms.

**Loan Interest Rate:** the rate at which Interest accrues on principal amount outstanding of the Series Specific Loans as specified in the Final Terms.

**Loan Receivables:** the receivables of the Sponsor under the Series Specific Loans which have been assigned to the Issuer, being 100% of the principal amount outstanding of the relevant Series Specific Loan.

**Loan Repayment Date:** each date on which the Series Specific Loans are redeemed as specified in the Final Terms.

**Maturity Date:** the scheduled maturity date of the Notes as specified in the Final Terms.

**Nectaro:** SIA Nectaro, incorporated as limited liability company and registered on 30 August 2016 in Republic of Latvia under registration number 40203016025.

**Noteholder:** each person who appears as a holder of any Note from time to time in the electronic register maintained by Nectaro.

**Notes:** notes issued or to be issued by the Issuer.

**Payment Event:** the date on which 1) information on the Loan Originator’s Payments received by Nectaro through API in accordance with the Transaction Documents, 2) the obligation arises under the Early Repayment Obligation, 3) any full or partial repayment of any of the Series Specific Loans occurs, 4) any breach of the repayment schedule of any of the Series Specific Loans occurs, 5) any extension of the repayment schedule of any of the Series Specific Loans according to Section 4.2 (THE TRANSACTION DOCUMENTS) occurs and 6) any change to any of the Loan Interest Payment Date or the Loan Repayment Date of one or more Series Specific Loan occurs.

**Principal Amount Outstanding:** the Aggregate Nominal Amount, taking into account any partial redemptions of the Notes.

**Priority of Payments:** the priority of payments set out in Section 11.8 (PRIORITY OF PAYMENTS).

**Purchase Agreement:** part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the Sponsor of the Series Specific Loan.

**Redemption Date:** each date on which the Notes are redeemed as specified in the Final Terms.

**Series:** Notes with the same Issue Date and the same Terms and Conditions (including as to the Series Specific Loans) and identified in the relevant Final Terms as forming a series.

**Series Specific Loan:** each loan agreement between the Sponsor as a lender and the Loan Originator as a borrower as specified in the applicable Final Terms.

**Specified Currency:** the currency of the Notes as specified in the Final Terms.

**Specified Denominations:** the specified denominations of the Notes as specified in the Final Terms.

**Sponsor:** SIA “Nectaro Finance”, incorporated as limited liability company and registered on the 13<sup>th</sup> December, 2023 in the Republic of Latvia under registration number 40203527589. The Sponsor is the lender to the Loan Originator.

**Transaction Documents:** the Cooperation Agreement, the Credit Facility Agreement, the Loan Agreement, the Purchase Agreement, Transfer Document.

**Transfer Document:** the document generated by Nectaro evidencing the transfer of Loan Receivables from the Sponsor to the Issuer in accordance with the Purchase Agreement.

## 11.2. UNDERTAKINGS OF THE ISSUER

The undertakings in this Section 11.2 are in force as long as any of the Notes are outstanding.

### 11.2.1. Authorisations and compliance with laws

The Issuer will promptly obtain, comply with, and do all that is necessary to maintain in full force and effect any authorisation required under any law or regulation of Latvia to enable it to perform its obligations under the Notes or own title in the Loan Receivables, and carry on its business as it is being conducted. The Issuer will comply in all respects with all laws to which it is subject.

### 11.2.2. Negative covenants

Other than in connection with the Notes or as provided in the Base Prospectus, the Issuer will not:

1. sell, transfer, create any security over or otherwise dispose of any of the Loan Receivables;
2. incur or permit to be outstanding any financial indebtedness;
3. be the creditor in respect of any loan or any form of a credit to any person, other than the Sponsor or as permitted under the Transaction Documents;
4. give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person;
5. carry on any business other than as a special-purpose pass-through undertaking established for the purpose of issuing and offering Notes, which are backed by the Loan Receivables, to Investors on the Platform; or
6. use the Issuer's Account for any purpose other than as provided in these Terms and Conditions and the Transaction Documents.

## 11.3. GENERAL

The Issuer under these Terms and Conditions together with the corresponding Final Terms has authorised the creation, issue and sale of the Notes to provide funds to the Issuer to purchase Loan Receivables in accordance with the Purchase Agreement. The issue of Notes on the Issue Date specified in the Final Terms will correspond to the Issuer obtaining title to the Loan Receivables with a total amount equal to the Aggregate Nominal Amount.



Subject to Clause 11.26, the Issuer will obtain the title to the Loan Receivables on the condition that Nectaro has determined that it has all the data it requires in relation to the Loan Receivables in accordance with the Purchase Agreement. The condition in no case implies that either the Issuer or Nectaro has any obligation to examine, verify or assess such data, including, through the use of any documentary evidence.

In each case where amounts of principal, Interest, other return and additional amounts (if any) are payable in respect of the Notes, the obligations of the Issuer to make any such payment will constitute an obligation only to account to the Noteholders on each date on which such amounts are due, for an amount equal to amounts of principal, Interest, other return and additional amounts (if any) actually received by the Issuer in relation to the Series Specific Loans.

Neither the Issuer nor Nectaro are liable to make any payments in respect of the Notes other than as expressly provided in these Terms and Conditions.

Save for any fees and interests payable to the Loan Originator, the Sponsor, the Issuer and Nectaro so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer of the Notes.

#### **11.4. STATUS**

The Notes constitute direct, general, unsubordinated, and limited recourse debt obligations of the Issuer, which rank *pari passu* among themselves; and at all times these obligations rank at least *pari passu* with all other present and future direct, general, unsubordinated and limited recourse obligations of the Issuer arising from the present and further Series, except for those obligations as may be preferred by applicable law.

No proprietary or other direct interest in the Issuer's rights under or in respect of any of the Transaction Documents and the Loan Receivables, exists for the benefit of the Noteholders. Subject to these Terms and Conditions, no Noteholder will have any right to enforce any of the Transaction Documents and the Loan Receivables, or any direct recourse to the Sponsor, the Loan Originator, any of the Borrowers.

#### **11.5. FORM**

The Notes are issued by the Issuer in registered form which are deposited and held as book entry with Nectaro.

#### **11.6. ISSUE OF NOTES**

The Notes are issued on the Issue Date in the Aggregate Nominal Amount, the Specified Denominations and the Specified Currency as provided in the Final Terms.

#### **11.7. REGISTER, TITLE AND TRANSFERS**

Nectaro maintains an electronic register of Noteholders in accordance with the Cooperation Agreement. No certificates will be issued to any Noteholder in respect of its holding.

Each Noteholder will (except as otherwise required by law) be treated as the absolute owner of any relevant Note for all purposes (whether it is overdue and regardless of any notice of ownership, trust or any other interest in the Note), and no person will be liable for so treating the Noteholder.

The Notes are held with financial instrument accounts of Noteholders with Nectaro. Notes may not be transferred between financial instrument accounts whether with Nectaro, nor other investment service provider. No application has been or will be made to trade the Notes on any regulated market or any other trading venue.

#### **11.8. PRIORITY OF PAYMENTS**

All funds received by the Issuer in relation to the Series Specific Loans, irrespective whether indicated as corresponding to the relevant Series Specific Loan or not, to the extent legally permitted, will be applied by the Issuer in the following order of priority:

1. in or towards payment of any amounts owed by the Issuer to any tax authority and required to be paid by the Issuer under or pursuant to the Notes;
2. in payment or satisfaction of all fees and penalty fees (if applicable) then due and unpaid to Nectaro by the Sponsor and / or the Loan Originator under the Cooperation Agreement;
3. in or towards payment or satisfaction of all amounts then due and unpaid as commissions, fees, costs, charges, expenses and liabilities incurred or payable for servicing of the Loan Receivables if (i) the Issuer or any person designated by the Issuer has taken over the servicing of the Loan Receivables or (ii) any event of default of the Sponsor has occurred under any of the Transaction Documents and the Issuer acts for the purposes of recovery of funds includes filing a claim in the liquidation, insolvency or other administrative proceedings of the Sponsor, or enforcing any legal rights;
4. in or towards payment or satisfaction of any costs, including legal fees, for any action to recover funds, collect or restructure payment obligations, or taking any other actions to receive the Loan Receivables;
5. to the Noteholders in or towards the payment or discharge of all amounts of Interest and principal (late payment interest (if any) or penalty fee or other assigned claim, if any, in the order that is set forth with respect to the particular Loan Receivable) then due and payable under or in respect of Series, and an amount payable according to the Early Repayment Obligation, unless such amount is discharged next according to Clause 6 below. Such payment/discharge being done by placing Series Specific Loans of all Series outstanding in the chronological order from the Series Specific Loan having oldest Payment Event to the Series Specific Loan having newest Payment Event, and then applying pro rata approach on each particular Series level;
6. to the Noteholders in or towards the payment of the amount payable according to the Early Repayment Obligation, if the Loan Originator is late in making payments due to the Issuer for 60 days or another period that the Issuer finds material. Such payment/discharge being done by placing Series Specific Loans of all Series outstanding in the chronological order from the Series Specific Loan having oldest repayment related Payment Event to the Series Specific Loan having newest repayment related Payment Event, and then applying pro rata approach on each particular Series level.

Neither the Issuer nor Nectaro will be liable for applying the Priority of Payments, including for any minor errors.

## **11.9. INTEREST**

### **11.9.1. Payment of Interest**

Each Note bears Interest from (and including) the next date after the date on which the Note is subscribed by the Noteholder. Interest will be calculated in accordance with Clause 11.9.2, and payable in the Specified Currency in arrears on each Interest Payment Date.

### **11.9.2. Accrual of Interest**

The Interest payable on any Interest Payment Date in respect of each Note is as follows:

Loan Interest rate x Series specific outstanding Loan principal x number of days

**Any payment of Interest will be made only in accordance with Clauses 11.8, 11.9.1 and 11.26 and will be subject to the relevant Payment Event having occurred and the Issuer having received the corresponding payment under the Series Specific Loans.**

## **11.10. PRINCIPAL REDEMPTION**

### **11.10.1. Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified in these Terms and Conditions, each Note will be redeemed at the Principal Amount Outstanding on the Maturity Date.

### **11.10.2. Early Redemption**

A proportion of the Principal Amount Outstanding of the Notes will be redeemed *pro rata* on each Redemption Date and at any other time any principal payment from any of the Series Specific Loans is received by the Issuer, without any prior notice to Noteholders. The Principal Amount Outstanding of the Notes redeemed will be in the same proportion as the proportion that the principal payment received by the Issuer has to the total principal amount outstanding of all the Series Specific Loans immediately before the principal payment. Any accrued but unpaid Interest associated to that proportion of the Principal Amount Outstanding of the Notes being redeemed will be paid at the same time.

**Any repayment of the Principal Amount Outstanding will be made only in accordance with Clauses 11.8, 11.10.1 and 11.26 and will be subject to the relevant Payment Event having occurred and the Issuer having received the corresponding payment under the Series Specific Loans.**

## **11.11. INTEREST AND PRINCIPAL DETERMINATION**

Nectaro determines (a) the amount of Interest payable in accordance with Clause 11.9 for each Interest Payment Date and (b) the amount of principal payable in accordance with Clause 11.10 on each Redemption Date and the Maturity Date, on its review of the following information:

1. the Payment Events which have arisen;
2. aggregate payment amounts paid by the Borrowers which have been received from the Loan Originator;
3. the Early Repayment Obligation which have arisen; and
4. the amounts then due and owed by the Issuer according to the Priority of Payments on the Interest Payment Date, the Redemption Date or the Maturity Date.

On each Interest Payment Date, each Redemption Date and the Maturity Date, Nectaro on the Issuer's behalf will direct the payment of Interest and principal amounts to the Noteholders in accordance with Clauses 11.8, 11.9.1, 11.10.1 and 11.26.

If after application of the Priority of Payments the Issuer has insufficient funds on any Interest Payment Date, any Redemption Date or the Maturity Date to make a payment of Interest or principal in full as required by Clauses 11.9 and 11.10, on behalf of the Issuer, Nectaro at its sole discretion may decide that: (1) the Issuer pays part of the amount due or (2) defers the payment until the full amount due is available and such partial payment or deferral will not constitute an Event of Default under these Terms and Conditions.

All determinations, calculations and adjustments made by Nectaro 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 Noteholders.

## **11.12. PAYMENTS**

### **11.12.1. Payments of Interest and Principal**

Subject to Clauses 11.8 and 11.13, the Issuer will, from any Available Distribution Amount:

1. pay the Interest on the Notes in accordance to clause 11.9 on each Interest Payment Date; and
2. redeem the Notes in accordance to Clause 11.10 on each Redemption Date and the Maturity Date.

#### **11.12.2. Notes contingent payments**

All payments of Interest and Principal by the Issuer under the Notes are dependent on the Issuer having received information on the Payment Event and the Available Distribution Amount being sufficient to make the relevant payments according to the Priority of Payments. The Notes will not give rise to the Issuer having any payment obligation in excess of the foregoing.

Any overdue payment of Interest or principal under any of the Series Specific Loans that have been collected by Nectaro as the fiduciary agent of the Sponsor (including by its external debt collection agency) will be paid to the Issuer as an Available Distribution Amount which will be paid in accordance with the Priority of Payments on the date determined by the Issuer at its sole discretion.

#### **11.12.3. Loan extension**

The Loan Originator may modify any of the Borrower's Loans linked to the Series Specific Loans without approval of the Issuer, the Sponsor and the Noteholders, provided that payments from the relevant Borrower remains unchanged.

If 'Extension possibility' is provided in the Final Terms, the Loan Originator may extend the repayment schedule of one or more Borrower's Loans linked to the Series Specific Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer, the Sponsor or the Noteholders provided that 1) there is no event of default under any of the Borrower's Loans linked to the Series Specific Loans, 2) any change is notified on the Platform to the Noteholders. The extension of the Borrower's Loan leads to extension of the Series Specific Loan that it is linked to.

The Loan Originator may also extend the repayment schedule of one or more of the Borrower's Loans linked to the Series Specific Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer, the Sponsor or the Noteholders to comply with any new law or amendment of any existing law or new interpretation of the law, or any decision of any government or municipal if such change is notified on the Platform to the Noteholders.

#### **11.12.4. Loan Receivables subject to Early Repayment Obligation**

Any Loan Receivable subject to the Early Repayment Obligation will be repaid by the Loan Originator in the amount equal to the outstanding principal amount of the Loan Receivable together with any accrued but unpaid Interest up to (but excluding) the early repayment date.

#### **11.12.5. Insufficient funds on the Maturity Date**

If any amounts on the Notes are outstanding on the Maturity Date, the Maturity Date will be automatically postponed to the date that is the earlier of 1) the date on which all amounts due and payable under the Notes are paid and 2) the date referred to in Clause 11.12.6, and Interest will not accrue on the Notes and any Available Distribution Amount will be paid to the Noteholders on a date as reasonably determined by the Issuer in accordance with the Priority of Payments.

#### **11.12.6. After the Maturity Date**

If on any date following the Maturity Date:

1. Nectaro concludes in written notification from the Sponsor to the Issuer and Nectaro and by API that the Sponsor has determined in good faith that there is no realistic prospect of

collecting any further funds in accordance with its loan management and collection policies from the Series Specific Loans which are not subject to the Early Repayment Obligation; or

2. the Issuer and Nectaro determines in good faith that there is no realistic prospect of collecting any further funds from the Sponsor or the Loan Originator and the Issuer has not received the full amount due from the Early Repayment Obligation or, if earlier, after 10 years after the Maturity Date, as of that date (i) all the Notes outstanding will be cancelled in full, (ii) the Issuer will be deemed to have fulfilled all its payment and other obligation to each of the Noteholders and (iii) no Noteholder will have any right in respect of any of the Notes.

#### **11.12.7. Payments to the Noteholders**

Any payments of Interest and redemption amounts in respect of the Notes will be made to the relevant Investment Account.

#### **11.12.8. Taxes**

All payments and/or deliveries in respect of the Notes made by or on behalf of the Issuer will be made subject to any withholding or deduction for any taxes, duties, or governmental charges of whatever nature which may be required to be withheld or deducted. The Issuer or Nectaro will:

1. not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the Noteholders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted;
2. not be liable for or otherwise obliged to pay, and the relevant Noteholder will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise result of, or in connection with, the ownership, any transfer (or agreement to transfer), any payment and/or any delivery (or any agreement for delivery) in respect of the Notes held by such Noteholder; and
3. have the right but will not be obliged (unless required by law), to withhold or deduct from any amount payable or any delivery due to the relevant Noteholder, such amount or portion as will be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

The Noteholders will agree to provide the Issuer and/or Nectaro with all information and documentation required by the Issuer and/or Nectaro to satisfy any Latvian or other country tax or regulatory obligations at any time.

#### **11.12.9. Payments on Business Days**

If the due date for payment of any amount in respect of any Notes is not a Business Day, the Noteholder will not be entitled to payment of the amount due until the next succeeding Business Day in such place and will not be entitled to any further interest or other payment in respect of any such delay.

#### **11.13. LIMITED RECOURSE AND NON-PETITION**

Notwithstanding anything in the Base Prospectus, the obligations of the Issuer in respect of the Notes are limited recourse obligations which are payable solely from the sums of principal, Interest, other return and additional amounts (if any) actually received (and identified as such) in relation to the Series Specific Loans.

All payments to be made by the Issuer in respect of the Notes will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer under the Series Specific Loans, subject always to the Priority of Payments.

In relation to any sums received or recovered, the Issuer (or Nectaro on its behalf) will follow these Terms and Conditions in determining to which Series of Notes such sums relate and such determination will be binding on Noteholders of all Series in the absence of manifest error.

To the extent that the sums referred to above in this Clause are less than the amount which the Noteholders may have expected and been entitled to receive (such difference being referred to as the **shortfall**), the shortfall will be borne by the Noteholders.

Each Noteholder, on subscribing or buying any Note directly, through a strategy of the Platform or any other way, irrevocably accepts and acknowledges that it is fully aware that:

1. only the sums referred to in this Clause as stated above will be available for any payments to be made by the Issuer in respect of the Notes;
2. the sums which are attributable to another Series of Notes are only available in satisfaction of the obligations of the Issuer to such Noteholders;
3. the obligations of the Issuer to make payments in respect of the Notes will be limited to the sums and the Noteholders will have no recourse to the Issuer, the Sponsor, the Loan Originator, Nectaro or their respective shareholders, directors, officers, employees, affiliates, successors or assigns in respect of the Notes for the shortfall;
4. no Noteholder is entitled to proceed against the Issuer, the Sponsor or Nectaro for the shortfall;
5. following the realisation and distribution of the net proceeds from the Loan Receivable corresponding to the Series Specific Loan in accordance with the Priority of Payments, the Noteholders or anyone acting on behalf of any of them will not be entitled to take any further steps against the Issuer, the Sponsor or Nectaro to recover any further sum and the right to receive any such further sum will be deemed as fulfilled;
6. no Noteholder will be entitled to petition or take any other step or join with any other person in bringing, instituting or joining, insolvency, winding-up, liquidation or bankruptcy proceedings (whether court-based or otherwise), or for the appointment of an examiner, liquidator or analogous person in relation to the Issuer, nor will it have any claim to, or in respect of any sum arising in respect of any assets of the Issuer;
7. non-payment of the shortfall referred to in this Clause above will not constitute an Event of Default;
8. none of the shareholders of the Issuer, Nectaro, the Sponsor or the Loan Originator has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.

The provisions of this Clause 11.13 will survive redemption of the Notes.

#### **11.14. PURCHASE**

The Issuer may at any time purchase Notes at any price in the open market or otherwise.

Any Note purchased by the Issuer on the sole discretion of the Issuer may be cancelled by Nectaro.

#### **11.15. CANCELLATION**

All Notes which are redeemed or cancelled may not be re-issued or resold.

#### **11.16. PRESCRIPTION**

All claims against the Issuer for payment in respect of the Notes will be prescribed and become void unless made within 10 years from the date on which payment in respect of the Notes first becomes due.

#### **11.17. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders create and issue further Series and further tranches of existing Series of Notes. A further tranche of an existing Series will:

1. be fungible with the Notes of that existing Series;
2. have the same terms and conditions as the Notes of that Series except for the Aggregate Nominal Amount, the Issue Date, the Issue Price, the Interest Accrual Periods, the first Interest Payment Date and the first Redemption Date; and
3. be consolidated and form a single Series with that existing Series of Notes, and references in these Terms and Conditions to Notes will be construed accordingly.

#### **11.18. EVENTS OF DEFAULT**

1. Any of the following events will constitute an event of default under the Notes (each, an **Event of Default**):
  - (a) if any order is made by any competent court or any resolution passed for the winding-up or dissolution (including any bankruptcy, insolvency, voluntary, forced or judicial liquidation, composition with creditors, a reprieve from payment, controlled management, fraudulent conveyance, general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Issuer (save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements); or
  - (b) formal notice is given of an appointment an administrator (including any receiver, liquidator), provisional administrator; or
  - (c) any application is made, or petition is lodged, or documents are filed with the court or administrator in relation to the Issuer for the actions, proceeding or procedures specified in paragraphs (a) or (b) above, unless such proceedings or petitions are disputed in good faith and are discharged or dismissed within 75 calendar days of commencement.
2. The Issuer is obliged to inform Nectaro immediately if any Event of Default should occur. Should Nectaro not receive such information, Nectaro is entitled to assume that no Event of Default exists or can be expected to occur, provided that Nectaro does not have knowledge of any Event of Default. Nectaro is under no obligation to make any investigations relating to any Event of Default. The Issuer will, at the request of Nectaro, provide Nectaro with details of any Event of Default and provide Nectaro with all documents that may be of significance for the application of this Clause 11.18.
3. If Nectaro has been notified by the Issuer or has otherwise determined that there is an Event of Default, Nectaro will, within 15 Business Days of the day of notification or determination, notify the Noteholders according to Clause 11.21.
4. Upon the occurrence of an Event of Default, Notes are repaid according to the terms and conditions stipulated by this Prospectus and relevant Series Final Terms, unless otherwise required by a rule of the law.
5. Nectaro, subject to the Noteholders indemnifying and holding Nectaro harmless from any reasonable expenses, loss or liability, will take every reasonable measure necessary to recover the amounts outstanding under the Notes according to their terms and conditions and Transaction Documents. Nectaro will in each case inform the Noteholders about the costs which should be compensated prior to requesting any indemnification. In any case Nectaro will charge this compensation of costs only up to the recovered amount. Nectaro will not ask for compensation of costs for its in-house staff and resources.
6. For the avoidance of doubt, if any payment is not made by the Issuer because the Issuer has not received the relevant amounts under the Series Specific Loans so that the Available Distribution Amount after application of the Priority of Payments is not enough to make payments due under the Notes in full, the occurrence of such event will, as such, not constitute an Event of Default.

## 11.19. MEETING OF NOTEHOLDERS

### 11.19.1. General provisions

The Issuer from time to time may convene a meeting of the Noteholders (the **Noteholders Meeting**) to adopt resolutions on certain matters. The Issuer at its own discretion decides which matters will be reserved for passing at the Noteholders Meeting.

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the Noteholders Meeting or in respect of the relevant resolution and Noteholders who voted in a manner contrary to the majority. As a result, Noteholders may be bound by a change to these Terms and Conditions or by some other decision that affects Noteholders' investment in the Notes even though they have not agreed to such change.

The Noteholders Meeting may adopt its resolutions in one of the two forms as chosen by the Issuer:

1. at a meeting held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote using ballots provided; or
2. by absentee voting (without attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote).

The Noteholders Meeting will be chaired, and minutes taken by a representative of Nectaro.

### 11.19.2. Resolutions of the Noteholders Meeting

Matters put to the vote at a Noteholders Meeting and its agenda will be decided by the Issuer.

The Noteholders may neither pass resolutions on the matters not included in its agenda nor amend the agenda.

Resolutions passed by the Noteholders Meeting and voting results will be provided to the persons eligible to participate in the Noteholders Meeting in a report, which will be disclosed to the Noteholders as per the procedure prescribed with regard to sending notices of the Noteholders Meeting, within 5 Business Days after the closing date of the meeting or the final date for submitting the voting ballots in case of absentee voting. However, the failure to do so will not invalidate the resolution.

The resolution will be binding on all the Noteholders, whether or not present at the Noteholders Meeting and each of them will be bound to give effect to it accordingly.

### 11.19.3. Information on holding a Noteholders Meeting

The Issuer will notify the Noteholders about the Noteholders Meeting in accordance with the procedure below.

A notice of the Noteholders Meeting (the **Notice**) will be given according to Clause 11.21 no later than 7 Business days in advance.

The Notice will be given to the Noteholders registered on the date of the Notice in the electronic register of Noteholders maintained by Nectaro.

The Issuer may decide not to publish the Notice on the Platform. In such a case within the time specified in this Clause 11.9.3. the Issuer will send the Notice to the Noteholders by email.

The Issuer may at its own discretion make available information to the Noteholders entitled to participate in the Noteholders Meeting as part of preparations for the Noteholders Meeting.

### 11.19.4. Quorum at a Noteholders Meeting

A Noteholders Meeting will be deemed quorate if attended by Noteholders aggregately holding more than 50% of:

1. the aggregate Principal Amount Outstanding of all Series of Notes towards the Sponsor on the date of the Notice if the decision is related towards all Series of Notes outstanding; or



2. the aggregate Principal Amount Outstanding of the relevant Series of Notes on the date of the Notice if the decision is related towards the relevant Series of Notes outstanding.

The number of votes for each Noteholder equals the Principal Amount Outstanding in the respective Series on the date of the Notice.

When a Noteholders Meeting is held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote, the Noteholders registered to participate in the Noteholders Meeting and the Noteholders whose ballots have been received no later than 2 days before the Noteholders Meeting will be deemed to have participated in the Noteholders Meeting.

When a Noteholders Meeting is held in the form of absentee voting, the Noteholders whose ballots have been received before the final date for submitting the ballots will be deemed to have participated in the Noteholders Meeting.

Where there is no quorum for a Noteholders Meeting, a second Noteholders Meeting will be held with the same agenda. Such second Noteholders Meeting will be deemed quorate if attended by Noteholders aggregately holding more than 30% of:

1. the aggregate Principal Amount Outstanding of all Series of Notes towards the Sponsor on the date of the Notice if the decision is related towards all Series of Notes outstanding; or
2. the aggregate Principal Amount Outstanding of the relevant Series of Notes on the date of the Notice if the decision is related towards the relevant Series of Notes outstanding.

Subject to the quorum being present, the decisions on the Noteholders Meeting agenda will be adopted per each item of the agenda by the majority from the total amount of votes provided.

#### **11.19.5. Voting ballots**

Ballots for voting at a Noteholders Meeting will be sent together with the Notice according to Clause 11.21.

Ballots for voting will be in the English language.

Voting could be convened as an e-voting through filling-out a voting ballot and submitting it electronically through the Platform.

Noteholders included in the list of those entitled to participate in the Noteholders Meeting other than the Noteholders Meeting held in the form of absentee voting, or their representatives, may register to participate or forward their completed ballots to the Issuer. Voting ballots will be counted towards the calculation of the quorum and voting results if received no later than 2 days before the Noteholders Meeting.

The voting ballot will contain the information about the Noteholders Meeting including but not limited to:

1. information about the Issuer, including address and contact person;
2. details identifying the Series of Notes;
3. form of the Noteholders Meeting (attendance or by absentee voting);
4. date, place and time of the Noteholders Meeting if it is held in the form of attendance of the Noteholders;
5. Principal Amount Outstanding;
6. voting options for each item on the agenda, expressed as “for”, “against”, or “abstained”, and the indication that the voting ballot must be signed by a person entitled to participate in the Noteholders Meeting or its representative unless convened by e-voting.

When voting by ballots, only those voting ballots are counted where for each item only one voting option is selected. The voting ballots completed in breach of the requirement will be deemed invalid. However, if there are several items put to the vote on the voting ballot, breach of the requirement with respect to one or several items will not affect the validity of the remaining ballot. If a voting ballot is rendered invalid with respect to voting on one, several or all items included in such ballot, the votes so cast in such ballot will not be excluded from the calculation of the quorum. If a voting ballot is rendered invalid, the votes on the items contained in the voting ballot will not be counted.

#### **11.19.6. Counting**

The counting functions will be performed by Nectaro, which will check the powers of, and register the participants in a Noteholders Meeting, determine the quorum at a Noteholders Meeting, count the votes and determine the voting results, draw up the voting minutes and hand over the voting ballots to the archive.

#### **11.20. SUBSTITUTION**

The Issuer or any previous substitute company may be substituted by any other company as principal obligor under all of the Notes then outstanding provided that such substitution would not be materially prejudicial to the interests of the Noteholders and subject to the other Terms and Conditions being complied with, including with provisions of the Transaction Documents, and further provided that Latvijas Banka has given its prior consent to such substitution if any needed according to the applicable law.

By subscribing to, or otherwise acquiring, the Notes, the Noteholders expressly consent to the substitution of the Issuer and to the release of the Issuer from all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences of such substitution.

Any such substitution will be notified to Noteholders in accordance with Clause 11.21.

#### **11.21. NOTICES AND PROVISION OF INFORMATION**

Notices to the Noteholders will be given upon sole discretion of the Issuer in the English language and/or any other language the Issuer deems fit for such purposes and will be given by using one or several communication channels:

1. emailed to respective email addresses in the register of Noteholders and deemed to have been given within 24 hours after the dispatch;
2. delivered to Nectaro for further communication to the Noteholder according to the services provision agreement between Nectaro and the Noteholder (including times when deemed to have been duly given).

Any notices, demands, claims or other communication to the Issuer by any Noteholder will be in the English language and will be given by using one of the following communication channels:

1. delivered by hand or courier and deemed to have been given on the same day of delivery;
2. delivered by registered mail and deemed to have been given on the 7th calendar day following the date indicated on the stamp by the postal service provider on the acceptance of a registered letter.

For the purposes of Clause 11.21 notices or other communications addressed to the Issuer will be given to Nectaro, serving as an agent for this purpose:

SIA Nectaro  
Rīga, Jeruzalemes Street 1, LV-1010, Latvia  
For the attention of SIA "Nectaro Bravo"

## 11.22. AGENTS

Nectaro acts solely as an agent of the Issuer and the Sponsor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Noteholder.

The Issuer and the Sponsor subject to the provisions of the Transaction Documents reserves the right at any time to vary or terminate the appointment of Nectaro, or the Loan Originator and any other party to any of the Transaction Documents.

## 11.23. FORCE MAJEURE

Neither the Issuer nor Nectaro nor the Sponsor will be responsible for any failure to perform any of its respective obligations under these Terms and Conditions which is due to any reason that is independent on that person's will and has resulted from a *force majeure* event. A *force majeure* event will apply only and solely if that person has taken all steps that depend on it to perform the obligation. Once the *force majeure* event has finished, that person must immediately resume the performance of the obligation. The following circumstances will be considered as *force majeure* events:

1. extraordinary and unavoidable circumstances including natural disasters, fire, flood, earthquake, warfare, terror acts, riots and strikes;
2. technical failures, delays or malfunctions; failure of computers, communications systems, hardware and/or software; power supply malfunctions; or other critical infrastructure malfunctions, which neither the Issuer nor Nectaro nor the Sponsor could have prevented or predicted;
3. decisions and/or activities of local and/or foreign public authorities, and/or international organisations;
4. entry into force, amendments and/or suspension of a statutory act binding on either the Issuer, the Sponsor or Nectaro affecting the performance of obligations under these Terms and Conditions;
5. any circumstance defined as a *force majeure* circumstance in any of the Transaction Documents.

## 11.24. GOVERNING LAW AND JURISDICTION

The Notes (and any non-contractual obligations arising out of or in connection with the Notes) are governed by and will be construed in accordance with the law of the Republic of Latvia.

The courts of the Republic of Latvia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including any disputes relating to any noncontractual obligations arising out of or in connection with the Notes) and accordingly any legal action or proceedings arising out of or in conjunction with the Notes may be brought in such courts. The Issuer and each of the Noteholders irrevocably submits to the jurisdiction of such courts.

## 11.25. AMENDMENTS AND MODIFICATIONS

To comply with any applicable law, the Issuer may validly amend or supplement these Terms and Conditions by publishing the changed Terms and Conditions on the Platform without the consent of the Noteholders.

## **11.26. LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE NOTEHOLDER**

Notwithstanding anything in the Base Prospectus, other than with respect to gross negligence or wilful misconduct by the Issuer, the Sponsor and/or Nectaro, neither the Issuer nor the Sponsor nor Nectaro will be held liable by any Noteholder for:

1. any material error, misrepresentation, omission or fraud by the Loan Originator;
2. failure of the Loan Originator for whatever reason to inform the Issuer, the Sponsor and/or Nectaro of the Payment Event having occurred or for the information being inaccurate or wrong;
3. the quality of Loan Receivables; or
4. determinations and decisions when distributing amounts under the Notes, including, when applying the Priority of Payments, deciding whether to defer payment or make a partial payment, relying upon or deciding if and when there is no realistic prospect of collecting further funds under a Series Specific Loan, including in the event of default of the Loan Originator.

In all cases liability of the Issuer, the Sponsor and/or Nectaro to any Noteholder under these Terms and Conditions will be limited to the amount invested in the impacted Notes by the Noteholder.

Each Noteholder, on subscribing or buying any Note directly, through a strategy of the Platform irrevocably accept and acknowledge that it is fully aware that:

1. the Issuer, the Sponsor and Nectaro do not make any representation or warranty in respect of, or will not at any time have any responsibility for, or, save as otherwise expressly provided in these Terms and Conditions, liability or obligation in respect of the performance and observance by the Loan Originator of its obligations under the relevant Series Specific Loan and the Cooperation Agreement, or the recoverability of any sum of the principal, Interest, other return or any additional amounts (if any) due or to become due from any Borrower and/or the Loan Originator;
2. the Issuer, the Sponsor and Nectaro will not at any time have any responsibility for, or obligation or liability in respect of, the condition, financial or otherwise, covenant, creditworthiness, affairs, status or nature of any Borrower, the Loan Originator or any other person;
3. the Issuer, the Sponsor and Nectaro will not at any time be liable for any representation or warranty, or any act, default or omission of any Borrower, the Loan Originator or any other person;
4. the Issuer will not at any time have any responsibility for, or liability or obligation in respect of, the performance and observance by Nectaro of its obligations under the Transaction Documents or any other agreement entered or to be entered into by and between the Noteholders and Nectaro;
5. financial servicing and performance of the terms of the Notes depend upon both the performance by each Borrower of its obligations under the Series Specific Loan, its duties to make payments under the Series Specific Loan (and corresponding Borrower's Loan) and its credit and financial standing, and the performance by the Loan Originator of their respective contractual obligations towards the Issuer, the Sponsor and Nectaro as well as their respective credit and financial standing;
6. the Notes, which the Noteholder has or will acquire, reflect the performance of the relevant Series Specific Loans. The Noteholder has no direct recourse to the any of the Series

Specific Loans or the corresponding Loan Receivables. Once the Loan Receivables have been realised according to these Terms and Conditions, the Noteholder is not entitled to take any further steps against the Issuer, the Sponsor or Nectaro to recover any further sums due and the right to receive any such sum will be extinguished. The Noteholder accepts not to attach or otherwise seize any of the assets of the Issuer. In particular, the Noteholder will not be entitled to petition or take any step for the winding-up, the liquidation or the bankruptcy of the Issuer or any similar insolvency-related proceedings and such petition or action will be treated as null and void as from its initiation time;

7. the Investment Accounts will be opened and be held by the Noteholder fully operational with Nectaro while the Noteholder holds any Notes.

## 12. TAXATION

*The information provided in this Section will not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Notes applicable to their particular circumstances. The following is a general summary of certain tax considerations in the Republic of Latvia in relation to the Notes. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Notes, as well as does not take into account or discuss the tax implications of any country other than the Republic of Latvia.*

***Tax laws of the Noteholder's country of residence for taxation purposes and of the Issuer's country of residence may have an impact on the income received from the Notes.***

This summary is based on the laws of Latvia as in force on the date of this Base Prospectus and is subject to any change in the law that may take effect after such date, provided that such changes could apply also retroactively.

Latvia has entered into a number of tax conventions on elimination of double taxation (hereinafter – DTT), which may provide a more favourable taxation regime. Therefore, if there is a valid DTT between Latvia and the country of tax residence of a prospective Noteholder, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion", adopted on 30 April 2001.

### **Taxation of the Issuer**

Issuer is a corporate income taxpayer in Latvia. According to the Latvian tax law, the annual profit earned by entities in Latvia is not taxed. Instead, corporate income tax is paid on dividends, fringe benefits, gifts, donations, representation costs, non-business related disbursements and transfer pricing adjustments. The tax rate applicable is 20%, however, the taxable base is divided by the coefficient 0.8, thus the effective corporate income tax rate is 25%.

### **Taxation of the Noteholders individuals**

#### *Resident individuals*

An individual will be considered as a resident of Latvia for taxation purposes, if at least one of the following requirements is met:

1. the declared place of residence of this person is in Latvia;
2. the person stays in Latvia for at least 183 days over the course of a period of 12 consecutive calendar months;
3. the person is a Latvian citizen who is employed by the government of Latvia in a foreign country.

In accordance with the Latvian tax laws the interest income received by the individual tax resident in Latvia is subject to tax at the rate of 25.5%. The personal income tax will be withheld by the

Issuer before the Interest payment is made by the Issuer to the Noteholder. The tax withheld by the Issuer is a final tax liability on the interest income received.

The income from the sale of the Notes is treated as an income similar to the interest income for the Latvian personal income tax purposes and will be subject to 25.5% personal income tax and the tax is payable by the individual him/herself.

#### *Non-resident individuals*

An individual will be considered as a non-resident of Latvia for taxation purposes in all cases unless he/she is a tax resident of Latvia. Interest income from the Notes received by the non-resident individual will subject to personal income tax in Latvia according to the rate set forth by law, which is currently 25.5%. However, if the non-resident is a tax resident in a European Union or European Economic Area country and has submitted to the Platform (and Platform has accepted) valid self-certification confirming the tax residence in the respective European Union or European Economic Area country, the tax rate applicable in Latvia will be 5%.

The personal income tax will be withheld by the Issuer before the Interest payment is made by the Issuer to the Noteholder.

According to the general practice, the tax withheld in Latvia might be deducted from the tax payable by the Investor in his/her residence country (as tax paid abroad). However, we recommend consulting with the respective country's tax administration or tax adviser to clarify the procedure and documents required to perform such a deduction (if any).

The tax rate might be reduced based on DTT between Latvia and the respective country. The list of DTT concluded by Latvia is available here: [\[https://www.vid.gov.lv/en/international-agreements\]](https://www.vid.gov.lv/en/international-agreements)

The income from the sale of the Notes will be subject to 25.5% tax and the tax would be payable by the individual him/herself if the buyer of the Notes is an individual or legal entity non-resident of Latvia. If the buyer is a legal entity - resident of Latvia, the tax will not be withheld by the buyer from the remuneration paid.

### **Taxation of the Noteholders legal entities**

#### *Resident legal entities*

A legal entity would be considered as a resident of Latvia for tax purposes if it is established pursuant to Latvian law. Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident legal entities will not be subject to withholding tax in Latvia. Under the Latvian tax law retained earnings are exempt from corporate income tax and only profit distributions are taxed. Distributed gross profits are subject to the 25.5% profit tax. Corporate income tax on net amount of profit distribution is determined by dividing net amount with a coefficient of 0.8 (i.e., effective tax rate on net distributed profit is 25.5%).

#### *Non-resident legal entities*

A legal entity would be considered as a non-resident of Latvia for tax purposes in all cases unless it is a tax resident of Latvia. The interest income and capital gains from the sale of the Notes for non-resident legal entities will not be taxable in Latvia (i.e., gross income will be paid), except if the income recipient is located, registered or incorporated in a no-tax or low-tax country (so called “*tax havens*”; if this is the case – 25.5% tax will be withheld by the Issuer in Latvia). The list of “*tax havens*” according to the Latvian law includes US Guam, US Samoa, US Virgin Islands, Republic of Fiji, Republic of Palau, Republic of Panama, Independent State of Samoa, Republic of Trinidad and Tobago, Republic of Vanuatu, Anguilla, Russian Federation. The list of mentioned countries and territories may be amended from time to time.

### 13. APPLICABLE FINAL TERMS

*The form of Final Terms that will be issued in respect of each Series, subject only to the deletion of nonapplicable provisions, is set out below. The completed Final Terms for each Series, which are described in this Base Prospectus as the "Final Terms" will be published on the website: [www.nectaro.eu](http://www.nectaro.eu).*

Final Terms dated [●] [●] [●]

#### SIA "Nectaro Bravo" (the "Issuer")

(Incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203509066, LEI: 984500ZIBSCE8D57EJ77)

#### Series [...] EUR [...] Notes

relating to the Loans with the reference numbers:

[...]

issued by SIA "Nectaro Finance" (the Sponsor) to OCN "Ecofinance Technologies" SRL (the Loan Originator) linked to loans issued by the Loan Originator to its borrowers

Terms used herein will be deemed to be as defined in the Base Prospectus dated [●] [●] 2024 for the purposes of Prospectus Regulation, in respect of Notes issued by the Issuer. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of Notes is only available based on a combination of these Final Terms and the Base Prospectus (as so supplemented). The Base Prospectus (and the supplements, if any) is available for viewing on the website [www.nectaro.eu](http://www.nectaro.eu). The summary of the individual issue of the Notes is annexed to these Final Terms as Appendix 1.

The Base Prospectus under which the Notes specified in these Final Terms are issued will cease to be valid upon the earlier of the date on which a new Base Prospectus for the Notes relating to the Loan Originator immediately succeeds this Base Prospectus (the **New Base Prospectus**) and the date on which the New Base Prospectus becomes effective (the **Base Prospectus Expiration Date**). Notwithstanding the foregoing, the Notes referred to in these Final Terms\* shall continue to be governed by the terms and conditions of the Base Prospectus. From the Base Prospectus Expiration Date, these Final Terms must be read in conjunction with the New Base Prospectus. The New Base Prospectus will be available (no later than the Base Prospectus Expiry Date) on the website [www.nectaro.eu](http://www.nectaro.eu).

*\*Notes, which Maturity Date specified in the Final Terms exceeds Base Prospectus Expiration Date.*

#### Part 1 - Contractual terms

##### 1.1. Information concerning the Notes to be offered to the public:

Number	Disclosure requirement	Details
1.1.1.	Series:	[...]
1.1.2.	ISIN Code:	LV[...]
1.1.3.	Specified Currency:	[...]
1.1.4.	Aggregate Nominal Amount:	[...]

1.1.5.	Specified Denominations:	The Series Aggregate Nominal Amount is divided into [...] Notes. Nominal amount of the Note is EUR 0.01.
1.1.6.	Issue Price:	100% of the Notes nominal amount
1.1.7.	Offer Price of one Note:	EUR 0.01 or Principal Amount Outstanding of one Note
1.1.8.	Issue Date:	[...]
1.1.9.	Maturity Date:	[...]
1.1.10.	Interest Rate:	[...] % per annum
1.1.11.	Interest Accrual Periods:	From the Notes purchase date up to the Loan Repayment Date
1.1.12.	Interest Payment Date(s):	Up to 10 Business Days after the corresponding Loan Interest Payment Date (1.2.20.) and subject to the actual receipt by the Issuer of the relevant payment in relation to the Loan from the Sponsor
1.1.13.	Redemption Date(s):	Up to 10 Business Days after the corresponding Loan Repayment Date (1.2.20.) and subject to the actual receipt by the Issuer of the relevant payment in relation to the Loan from the Sponsor
1.1.14.	Indication of Yield:	[...] % per annum
1.1.15.	Early Repayment Obligation:	[...]



## 1.2. Information relating to the Series Specific Loans

Information relevant to the pool of Series Specific Loans and the Borrower's Loans linked to them

Number	Disclosure requirement	Details
1.2.1.	Borrower's Loan type:	[...]
1.2.2.	Borrower's Loan disbursement currency:	[...]
1.2.3.	Total outstanding principal amount of Series Specific Loans transferred to the Issuer (EUR):	[...]
1.2.4.	Series Specific Loans Interest rate (%):	[...]
1.2.5.	Late Payment Interest (%):	[...]
1.2.6.	Grace Period:	[...] days
1.2.7.	Amortization method:	[...]
1.2.8.	Extension possibility:	[...]
1.2.9.	Limit on the number of extensions:	[...]
1.2.10.	Total maximum time limit of extensions:	[...] calendar days as of the Loan Final Repayment Date
1.2.11.	Skin in the game retained by the Sponsor (%):	If specified in the Loan Agreement, the Sponsor retains the skin in the game from the Loan outstanding principal amount in the amount of specified in the relevant Loan Agreement.

### Information on the Series Specific Loans and the Borrower's Loans linked to them

[illegible]

\*Unless the early Loan repayment and/or the Loan term extension takes place. For more information, please see Section 11 (TERMS AND CONDITIONS OF THE NOTES) in the Base Prospectus.

#### 1.2.20. Loan Interest Payment Dates and Loan Repayment Dates and amounts

[illegible]

[illegible]

## Part 2 - Responsibility and authorisation

The Management Board of the Issuer:

Title / Name, surname
Member of the Management Board Sigita Kotlere
Member of the Management Board Anna Berezovska

accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus referred to above, contains all information that is material to the issue of the Notes.

The information provided in the elements 1.2.1, 1.2.2., 1.2.15.-1.2.19 above has been sourced from OCN "Ecofinance Technologies" SRL (the Loan Originator). The information provided in the elements 1.2.3.-1.2.14 and 1.2.20. above has been sourced from SIA "Nectaro Finance" (the Sponsor). Hereby the Issuer confirms that this information has been accurately reproduced according to the process of information exchange via API, provided in the Transaction Documents and that as far as the Issuer is aware and is able to ascertain from information provided by the Loan Originator and/or the Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading. For the aforesaid limitation of the Issuer's and Nectaro's liability provided in the Sub-Section 11.26 in the Base Prospectus applies.

This Notes Series issue is authorised by [...] of the Issuer, Minutes No. [...] as of [...] [...] 202[...].