

# **INDEMO.EU**

**INVESTMENT DEMOCRACY**

**Base Prospectus**

Foreclosure Investments

Dated 13 February 2026

## **Indemo SPV Issuer No1 SIA**

(Incorporated as a limited liability company and registered in the Republic of Latvia with registration number: 40203462441 and having LEI: 6488R109SEO6R317YK44)

### **EUR 50 000 000.00 Note Programme**

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

Notice of the aggregate nominal amount of the Notes and other income (if any) payable in respect of the Notes, the issue price of the Notes, offer price of the Notes, subscription period 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 applicable 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 50 000 000.00 (fifty million euro).

Any payment under the Notes is dependent on and limited to the Loan Receivables.

This Base Prospectus has been approved as a base prospectus by Latvijas Banka (the Central Bank of Latvia), as a 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. Such approval relates only to Notes which are to be offered to the public in any Member State of the European Economic Area.

This offer under this Base Prospectus is made in Latvia, Germany and Spain.

During the validity period of this Base Prospectus, the Issuer plans to request that Latvijas Banka provides competent authorities under the Prospectus Regulation in Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden with a certificate of approval attesting that this Base Prospectus has been drawn up following the Prospectus Regulation. When such a certificate shall be obtained, the Issuer shall ensure that Indemo provides information about it on the Platform. Such certificate, if and when received, should not be considered as an endorsement of the Issuer or the quality of the Notes.

This Base Prospectus will be valid for a period of up to 12 months after its approval by Latvijas Banka. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. The obligation to prepare a supplement to this Base Prospectus or publish a new Base Prospectus in the event of any significant new factor, material mistake or inaccuracy will cease to apply upon the expiry of the validity period 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 the section entitled '3. RISK FACTORS' of this Base Prospectus.

Capitalised terms used in this Base Prospectus have the meaning given to them in the section entitled 'DEFINITIONS' of this Base Prospectus.

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## Definitions

<b>Actual Aggregate Subscription Amount</b>	the actual total amount of the funds received from the Noteholders as the result of one Series' issue.
<b>Aggregate Nominal Amount</b>	the aggregate nominal amount of the Notes as specified in the Final Terms
<b>Anticipated Financing Proportion</b>	proportion between Aggregate Nominal Amount and the total purchase price of the whole Underlying Mortgage Debt paid by the Foreclosure Agent as assignee.
<b>Backup Servicer</b>	the legal entity (if any) engaged by the Lender or the Issuer to service and administer the Underlying Mortgage Debt by substituting the Foreclosure Agent.
<b>Base Prospectus</b>	this base prospectus in relation to the Notes.
<b>Business Day:</b>	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.
<b>Cooperation agreement</b>	the cooperation agreement between the Issuer, the Foreclosure Agent, the Lender and Indemo in relation to the Notes, Loan Receivables and Foreclosure.
<b>Debtor</b>	the debtor of an Underlying Mortgage Loan.
<b>Final Terms</b>	any duly completed final terms in the form set out in section 12 of this Base Prospectus.
<b>Financing Foreclosure or Financing of the Foreclosure</b>	refinancing of the loans previously taken by the Foreclosure Agent for the purchase of the Underlying Mortgage Debt, up to a maximum amount equal to the Underlying Mortgage Debt Price.
<b>Financing Proportion</b>	proportion between the part of the Underlying Mortgage Debt Price which is refinanced by the proceeds of the Loan and the total purchase price of the whole the Underlying Mortgage Debt paid by the Foreclosure Agent as assignee.
<b>Foreclosure</b>	set of activities and procedures aimed at the recovery (working out) of the Underlying Mortgage Debt (or its part) and enforcement of the collateral, inter alia, actions and procedures with regards to the sale of the Underlying Property.
<b>Foreclosure Agent</b>	<b>AVEINE INVEST S.L.</b> ,incorporated as a private limited company and registered in the Kingdom of Spain with registration number B01936145 on 16 September 2020, having registered office at: Av Diagonal Num.594 P.6 PTA.1 Barcelona, 08021,Spain. Registered with the Bank of Spain as a real estate lender ( <i>Prestamista inmobiliario</i> ) under the code D465 on 26 May 2021.
<b>Foreclosure Return Proceeds</b>	The amount of the proceeds which (a) is actually received by the Foreclosure Agent as the result of the Foreclosure to the extent prorated in accordance with the Financing Proportion and (b) which remains after withholding of the applicable taxes (if any) and compensation of Foreclosure-related expenses in accordance with the Cooperation Agreement.
<b>Indemo</b>	Indemo SIA, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203401432 on 20 May 2022, having registered address Skanstes iela 50, Riga, LV-1013, Latvia, an investment firm authorised by Latvijas Banka, which provides investment and related services to Investors through the

	Platform.
<b>Investment Accounts</b>	the separate accounts at Indemo of the Investor.
<b>Investor</b>	a person registered and accepted on the Platform as an investor.
<b>Issuer</b>	Indemo SPV Issuer No1 SIA, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203462441 on 15 February 2023, is a special purpose entity whose principal purpose is the issue of Notes.
<b>Issuer's Account</b>	the cash funds account of the Issuer opened with Indemo, which is used solely for settling payments with the Lender and the Investors.
<b>Issue Date</b>	the date on which the Notes are allocated and delivered to the Investment Accounts of the Noteholders.
<b>Issue Minimum Amount</b>	monetary threshold expressed as a percentage from the Aggregate Nominal Amount specified in the Final Terms.
<b>Latvijas Banka</b>	the competent authority in the Republic of Latvia under the Prospectus Regulation.
<b>Lender</b>	Indemo Finance SIA, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203665098 on 21 July 2025, is a special purpose entity whose principal purpose is the issue of Loan for Financing Foreclosure.
<b>Loan</b>	the principal amount outstanding under the Loan Agreement.
<b>Loan Agreement</b>	each loan agreement between the Lender and the Foreclosure Agent as the borrower for the purpose of Financing Foreclosure, as specified in the applicable Final Terms.
<b>Loan Final Repayment Date</b>	the expected (estimated) final repayment date of the Loan as specified in the Final Terms.
<b>Loan Receivables</b>	the receivables under the Loan Agreement to the extent that is assigned to the Issuer under the Transfer Deed.
<b>Mortgage Loan Agreement</b>	a loan agreement between the initial creditor and the Debtor as borrower which was assigned to Foreclosure Agent as a new creditor (assignee).
<b>Net Foreclosure Return</b>	the amount of the proceeds which (a) is actually received by the Foreclosure Agent as the result of the Foreclosure to the extent prorated in accordance with the Financing Proportion and (b) which remains after withholding of the applicable taxes (if any), compensation of Foreclosure-related expenses in accordance with the Cooperation Agreement and discharge of the principal of the Loan.
<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>Performance-Linked Interest</b>	interest payable under the Loan according to the terms of Loan Agreement, at the rate which is expressed as percentage of Net Foreclosure Return and specified in the Final Terms.
<b>Platform</b>	sites created and serviced by Indemo, merged under the domain name <a href="http://www.indemo.eu">www.indemo.eu</a> .
<b>Purchase Agreement</b>	part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the Lender of the Loan Receivables.

<b>Purchase Price</b>	the amount of the monetary consideration payable by the Issuer to the Lender for Loan Receivables under the Purchase Agreement.
<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 include any commission delegated regulation under the Prospectus Regulation.
<b>Programme</b>	this EUR 50 000 000.00 Note Programme.
<b>Security Document</b>	a security instrument (as specified in the Final Terms) executed or to be executed to secure the obligations of the Foreclosure Agent towards the Issuer and/or the Lender and/or a security instrument (as specified in the Final Terms) executed or to be executed to secure the obligations of the Lender towards the Issuer.
<b>Series or Series of Notes</b>	Notes with the same Issue Date and the same Terms and Conditions (including as to the Series Specific Loan) and identified in the relevant Final Terms as forming a series.
<b>Series Specific Loan</b>	Loan agreement as specified in the applicable Final Terms.
<b>Servicer</b>	the legal entity engaged by Foreclosure Agent to service, administer and enforce the Underlying Mortgage Debt as described in the section entitled “7. FORECLOSURE AGENT”, subsection “ <i>NPL BUSINESS STRATEGY</i> ” and “ <i>FORECLOSURE STAGES</i> ”.
<b>Transaction Documents</b>	the Cooperation Agreement, the Transfer Deed and the Security Document (if any).
<b>Transfer Date</b>	date provided in the Transfer Deed, when the sale of the Loan Receivables from the Lender to the Issuer has become effective.
<b>Transfer Deed</b>	the document signed by the Lender and the Issuer evidencing the transfer of Loan Receivables from the Lender to the Issuer in accordance with the Purchase Agreement.
<b>Underlying Mortgage Debt</b>	the total debt of the Debtor which includes the outstanding amount of Underlying Mortgage Loan, accrued but unpaid interest, penalties, legal fees and expenses as attached to the debt.
<b>Underlying Mortgage Debt Price</b>	the purchase price of the Underlying Mortgage Debt (or of its relevant part) which has been paid by the Foreclosure Agent as assignee and which is refinanced by the proceeds of the Loan.
<b>Underlying Mortgage Loan</b>	loan which is issued to Debtor under Mortgage Loan Agreement and secured by the Underlying Property.
<b>Underlying Property</b>	the real estate, securing as collateral Underlying Mortgage Debt and attributable to the Foreclosure, as specified in the applicable Final Terms.

## 1. General Information

### 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 UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 WHERE SUCH OFFER OR SOLICITATION OF AN OFFER WOULD BE UNLAWFUL. 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.

### Responsibility for this Base Prospectus

The Management Board of the Issuer:

<b>Title</b>	<b>Name, Surname</b>	<b>Signature</b>
Chairman of the Management Board	Sergejs Viskovskis ( <i>Sergejs Viškovskis</i> )	<i>e-signed</i>
Member of the Management Board	Vladimirs Slapakovs ( <i>Vladimirs Šlapakovs</i> )	<i>e-signed</i>
Member of the Management Board	Daniels Zirjakovs ( <i>Daniels Žirjakovs</i> )	<i>e-signed</i>
Member of the Management Board	Jelena Kibale ( <i>Jelena Kibale</i> )	<i>e-signed</i>

accepts responsibility for the information contained in this Base Prospectus (other than the information in the section entitled '7. FORECLOSURE AGENT'). To the best of their knowledge, the information (other than the information in the section entitled '7. FORECLOSURE AGENT') 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 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.

### Final Terms

Each Series of Notes will be issued on the terms and conditions set out under the section entitled '10. 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.indemo.eu](http://www.indemo.eu). A form of applicable Final Terms is set out under the section entitled '12. APPLICABLE FINAL TERMS' of this Base Prospectus.

### **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.

### **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 into 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.

Indemo 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 Indemo 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.

### **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 who possess this Base Prospectus or any Final Terms are required by the Issuer and Indemo to become familiar with such restrictions by themselves and to observe any such restrictions. 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, Indemo 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 analysis and appraisal of the condition (financial or otherwise) of the Issuer. Indemo has not provided any financial or taxation advice concerning the Programme or the Notes.

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

### **Programme limit**

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 50 000 000.00 (fifty million euro).

### **Language**

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

### **Ratings**

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

### **Currencies**

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

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

This Base Prospectus contains information regarding the business of the Issuer, Indemo, the Lender, the Foreclosure Agent 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 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 Noteholders 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 Foreclosure Agent using its information and other publicly available market information. Each of the Issuer and the Foreclosure Agent believes that these estimates of market share are helpful as they give prospective Investors a better understanding of the industry in which the Issuer or the Foreclosure Agent 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 or the Foreclosure Agent's knowledge of the market within which it operates, neither the Issuer nor the Foreclosure Agent 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 or the Foreclosure Agent's own information.

#### **No incorporation of website information**

The Issuer is affiliated with Indemo, and their website is [www.indemo.eu](http://www.indemo.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.

## 2. General Description

### ABOUT INDEMO

Indemo is an investment firm authorised by Latvijas Banka, operating the Platform accessible online, where investors can invest in investment opportunities issued in the form of asset-backed securities, or simply Notes.

Indemo cooperates with selected lending companies, properly authorized and working in regulatory well-established EU/EEA markets, that provide loans to businesses and individuals to purchase or renovate the real property and/or act as professional servicers acquiring discounted loan receivables backed by real estate mortgages.

Indemo according to its licence is authorized to provide the following investment services and ancillary services:

- execution of orders on behalf of clients;
- portfolio management;
- investment advice;
- placing of financial instruments without a firm commitment basis;
- holding of financial instruments;
- providing investment research, financial analysis or other general advice regarding transactions in financial instruments; and
- provision of services related to the initial placement of financial instruments.

Indemo takes the following role within the Notes issue and offer to the Investors and subsequent Notes issues maintenance:

- Owns and operates the technical infrastructure through which: i. the Loan Receivables transfer transactions are being arranged; ii. the Issuer offers, issues and sells Notes to the Noteholders; iii. information exchange and money flows occur between Investors, the Issuer, Lender and the Foreclosure Agent; iv. Information regarding the Loan Receivables and its updates is being provided to the Noteholders.
- Opens and services Investment Accounts being used for Notes purchase, custody and collection of payments.
- Acts as an assignment, placement, calculation, transfer and paying agent for the Notes including i. transfer of funds to the Issuer following placement of Notes, ii. settlement of payments due between the Issuer, Lender and the Foreclosure Agent, iii. payments to the Investment Accounts, iv. provides information regarding Investors to the Issuer to calculate any withholding taxes on payments and v. provides Noteholders with information on payment events.
- Maintains the register of Noteholders.
- Performs monitoring activities related to the Loan Receivables, Foreclosure, including monitoring the Foreclosure Agent's compliance with obligations undertaken according to the Transaction Documents.

### ABOUT NOTES

Notes are asset-backed securities (financial instruments) issued by the Issuer, allowing Investors to invest in Foreclosure, its risk and returns.

The Foreclosure Agent selects and buys the Underlying Mortgage Debt on the institutional debts' secondary market and works out the Underlying Mortgage Debt within the Foreclosure: debt collection, enforcement of the collateral over Underlying property and restructuring activities or sale of the Underlying Mortgage Debt on the later recovery stage. However, the Foreclosure Agent needs refinancing of the loans which have been previously taken by Foreclosure Agent for the purchase of the Underlying Mortgage Debt on the institutional debts' secondary market.

For this purpose, the Foreclosure Agent concludes the Loan Agreement with the Lender which is the special purpose entity affiliated with the Issuer. The funds for the Loan are generated by the Lender through the sale of future Loan Receivables to the Noteholders at the Purchase Price which equals the amount of the Loan.

The Issuer is a special purpose legal entity established for the purposes of issuing and offering the Notes, which are backed by the Loan Receivables, to Investors via Indemo operated Platform. The reason for the offer and sale

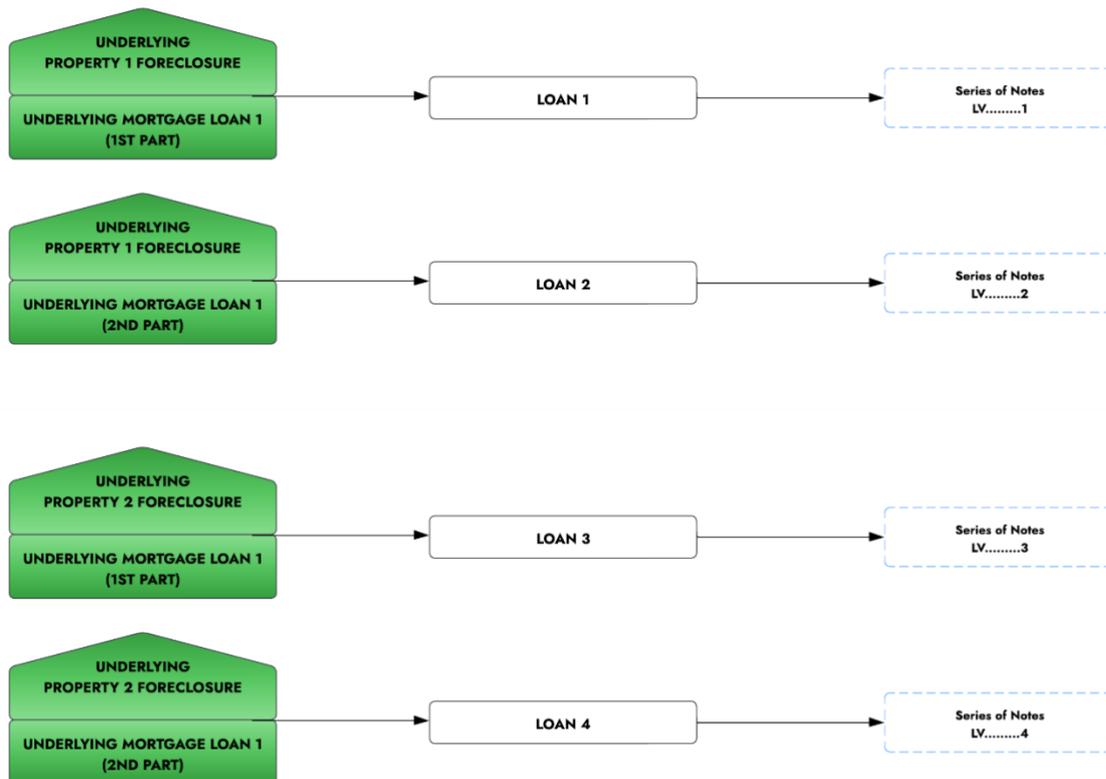
of the Series of Notes to Noteholders is to attract funding for the Issuer to acquire Loan Receivables from the Lender, in this way allowing Noteholders to participate in the Financing of the Foreclosure and hence participate in Foreclosure's risk and returns pursuant to the terms and conditions provided by this Base Prospectus and the Series specific Final Terms.

The Foreclosure relates to the Underlying Mortgage Debt on which the Debtor has failed to make payments. Original lenders like banks and non-bank mortgage lenders or subsequent buyers like institutional intermediaries sell these debts on the market at a discounted price, including the real estate asset attached to them as a mortgaged property.

Once Underlying Property is sold during Foreclosure, the return on Foreclosure is generated and partially allocated to the Noteholders pursuant to the terms and conditions provided by this Base Prospectus and the Series specific Final Terms.

Each Series is backed by the Loan Receivables under only one Loan which is issued for full or partial Financing of the Foreclosure linked to one Underlying Mortgage Loan which is secured by one Underlying Property. Sometimes a single Underlying Mortgage Loan may be secured by several Underlying Properties.

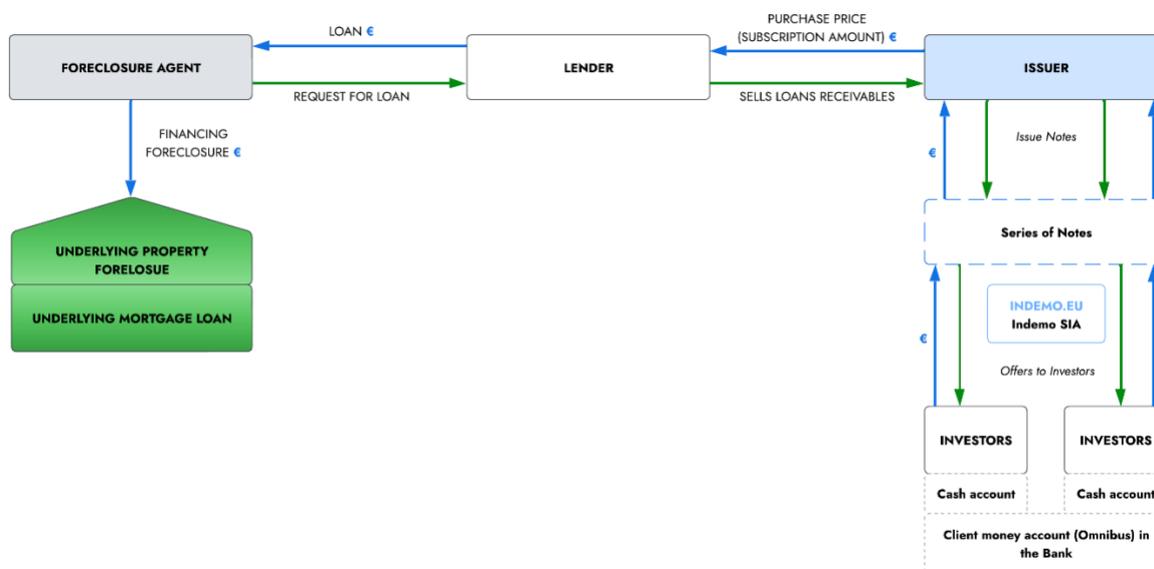
The amount of the Loan is equal to Underlying Mortgage Debt Price which is the price that the Foreclosure Agent has paid for the purchase of the Underlying Mortgage Debt or its part. Should the Loan relate to the refinancing of certain part of the Underlying Mortgage Debt Price such Anticipated Financing Proportion shall be specified (in percentage) in the Final Terms of each Series. The refinancing of the several parts of Underlying Mortgage Debt Price may be done by separate Loans which accordingly serve as the underlying assets for separate Series being issued under this Base Prospectus.



See the sections entitled '5. ISSUER', '6. LENDER', '7. FORECLOSURE AGENT', '8. LOAN RECEIVABLES' of this Base Prospectus for more information.

## ABOUT THE FLOW OF FUNDS FOR INVESTMENT

The Lender undertakes commitment to issue a Loan to the Foreclosure Agent for Financing Foreclosure. The Lender makes an offer and sells to the Issuer future Loan Receivables (arising from the Loan which finances specific Foreclosure). The Issuer issues a Series of Notes corresponding to and contingent on these Loan Receivables and offers them to Investors via Indemo. When the 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 Lender which, in its turn, uses received proceeds for the issue of the Loan to the Foreclosure Agent. The Foreclosure Agent uses the loan proceeds to finance the Foreclosure, i.e., refinancing of the previously acquired loans for the purchase of the Underlying Mortgage Debt (or its part).



## ABOUT THE FLOW OF FUNDS FOR REPAYMENT

Under the Loan Agreement the Foreclosure Agent agrees to make payments to the Lender in accordance with the following conditions:

- the principal amount of the Loan shall be repaid not later than on the Loan Final Repayment Date set forth in the Final Terms for the respective Loan or as extended according to this Base Prospectus and Final Terms (if extended);
- the repayment of the principal amount of the Loan at the expense of the Foreclosure Return Proceeds shall be made not later than 10 Business Days after the receipt of the respective Foreclosure Return Proceeds by the Foreclosure Agent;
- the payment of the Performance-Linked Interest under the Loan shall be made after the repayment of the principal amount of the Loan on the Loan Final Repayment Date.

The proceeds from the repayment of the Loan are received by the Issuer as Loan Receivables (under Purchase Agreement) and are used to make payments under the relevant Series of Notes to the Investors via Indemo.

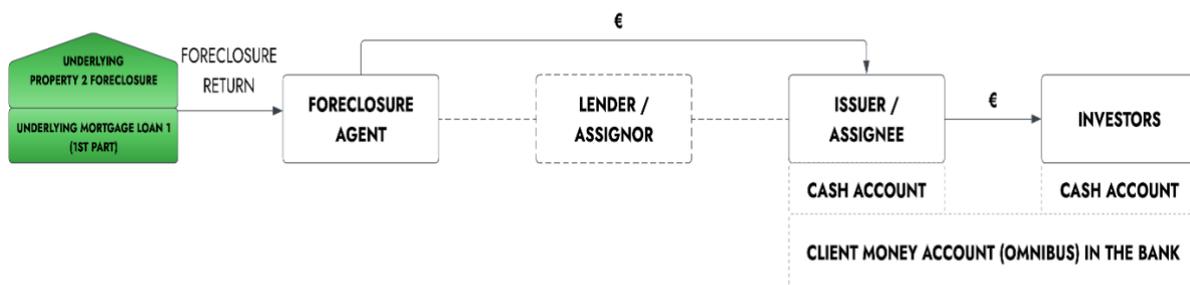
That means that

- if the Foreclosure Agent is late on its payments under the Loan Agreement, the payments to the Investors under the Notes will also be delayed;
- if the Foreclosure Agent does not make payments under the Loan Agreement, there will be no payments to the Investors under the Notes.

Foreclosure Agent's capability to make payments under the Loan Agreement depends on the results of the Foreclosure procedure, hence Foreclosure Agent's chosen scenarios and Foreclosure Agent's professional skills and performance.

Foreclosure Agent's activities within the Foreclosure usually add up to four main scenarios for the resolution/work out of the Underlying Mortgage Debt to ensure return on Foreclosure and the repayment of the principal amount of the Loan and Performance-Linked Interest:

- out of the court settlement is reached between the Debtor and the Foreclosure Agent, the Underlying Property is sold on the market, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt;
- the judicial auction takes place, real estate is sold there, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt;
- the judicial auction takes place without any success, the Foreclosure Agent takes ownership of the Underlying Property, sells it on the market, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt.
- The Underlying Mortgage Debt is sold by the Foreclosure Agent on the market at a higher price at the later stages of the debt recovery process.



Considering that the Underlying Mortgage Debt is bought by the Foreclosure Agent at a discount, usually, there is a monetary spread between the price of the purchase of the Underlying Mortgage Debt (or its relevant part) by the Foreclosure Agent (which equals the amount of the Loan which the Foreclosure Agent receives from the Lender) and both the value of the Underlying Property and the Underlying Mortgage Debt amount. This monetary spread allows the Foreclosure Agent acting in good faith, to choose the most economically beneficial exit scenario by balancing the time is of the essence criterion and the sale proceeds amount criterion. In some cases, the Underlying Mortgage Debt amount can be higher than the value of the Underlying Property as the Debtor's indebtedness increases over time. This provides the Foreclosure Agent with a leverage in negotiations with a Debtor on the voluntary settlement of the Debt.

See the sections entitled '7. FORECLOSURE AGENT' of this Base Prospectus for more information.

Each time return from the Foreclosure takes place and the Foreclosure Agent receives proceeds, the Foreclosure Agent transfers the Foreclosure Return Proceeds to the Issuer, hence the repayment of the Loan at the amount of Foreclosure Return Proceeds takes place. The Issuer in its turn uses the received funds to make repayments under the relevant Series of Notes to the relevant Noteholders via Indemo. The repayments are received in the relevant Investment Account.

Repayments are allocated first to settle the invested amount, being the principal amount, and then the remaining part of proceeds is allocated to pay the interest.

Any payments under the Notes to Noteholders will directly depend on Foreclosure Agent's ability to repay the Loan. The description of the Foreclosure Agent's business model, activities during the Foreclosure and the

criteria on the choice of Foreclosure scenario (see in the section entitled 7“FORECLOSURE AGENT”) explains Foreclosure Agent’ s potential to repay the Loan.

## **ABOUT THE RETURN CALCULATION**

The return of the Noteholders is dependent on the time and amount of proceeds received as repayment of the Loan by the Foreclosure Agent. Accordingly, the amount of the proceeds for the repayment of the Loan is dependent on the length of the Foreclosure and amount of the proceeds which are recovered by Foreclosure agent. As described above in the subsection “ABOUT THE FLOW OF FUNDS FOR REPAYMENT” of this Section 2 the recovered amount is dependent on Foreclosure Agent’s chosen Foreclosure’s scenario for each Underlying Mortgage Debt and Underlying Property.

Firstly, the invested amount is being discharged, which equals the Actual Aggregate Subscription Amount for the relevant Series of Notes.

Secondly, after the discharge of the invested amount, the interest is paid. The interest rate under the Notes is equal to the Performance-Linked Interest under the Loan agreement which is set in the Loan Agreement and Final Terms. The Performance-Linked Interest is calculated towards the remaining part of the Foreclosure return, i.e., after the compensation of Foreclosure-related costs in accordance with the Cooperation agreement and discharge of the principal amount of the Loan.

These remaining proceeds are shared between the Lender as a Performance-Linked Interest and the Foreclosure Agent as its earnings for Foreclosure Agent’s works accomplished. This is a common cooperation model between professional servicers and investors who invest in distressed assets which exists on the debts’ secondary market for years.

For example, the price at which an Underlying Mortgage Debt was purchased by Foreclosure Agent is set at EUR 100 000. The amount of the Loan is EUR 100 000. The Foreclosure-related costs amount to EUR 20 000. The Performance-Linked Interest rate is set at the rate of 50%. The Foreclosure Return amounts to EUR 170 000. This means that EUR 20 000 are paid to compensate Foreclosure-related costs, then EUR 100 000 are payable as repayment of the principal amount of the Loan and the performance-linked interest is applied to the remaining proceeds at the amount of EUR 50 000 at the rate set above. This means that 50% of the excess proceeds, which equals to EUR 25 000, are attributable and payable to the Lender as Performance-Linked Interest for further payment of the interest at the same amount (EUR 25 000) under the Notes to Noteholders on pro rata basis to the number of Notes owned by them.

*This example is provided for information purposes only; all mentioned amounts, rates and times are random figures and do not guarantee any future results.*

## **BANK ACCOUNTS USED**

The incoming and outgoing flow of funds arising from Notes and cash funds of the Investors are being serviced through Indemo accounts with AS LHV Bank (Estonia) and AS Rietumu Banka (Latvia) and other banks from time to time.

### **3. Risk Factors**

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of 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. In addition, factors which are material to assess the market risks associated with the Notes are also described below.

Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, the potential significance of the risks or the scope of any potential negative impact to the Issuer's, Indemo's Lender's or the Foreclosure Agent's business, financial condition, results of operations and prospects, as well as prospects to successfully and timely enforce the Foreclosure. The Issuer, Indemo, Lender and/or the Foreclosure Agent may face a number of these risks described below simultaneously. While the risk factors below have been divided into categories, some risk factors could belong to more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

The Issuer believes that the factors described below represent the material risks inherent to investing in the Notes, but the inability of the Issuer or the Foreclosure Agent to pay principal or other amounts on or in connection with any Notes may occur for other reasons, and the statements below regarding the risks of investing in any Notes are not exhaustive. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer, or that the Issuer at the date of this Base Prospectus deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's, Lender's or the Foreclosure Agent's business, financial condition, results of operations and prospects. Prospective investors should carefully review the entire Base Prospectus and should form their own views before making an investment decision with respect to the Notes.

Before making an investment decision with respect to any Notes, prospective 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.

#### **RISKS SPECIFIC TO THE UNDERLYING LOAN RECEIVABLES (UNDERLYING LOAN)**

The Notes are linked to the underlying Loan Receivables, which means that any payments under the Notes to Noteholders will depend on the Loan's repayment and Performance-Linked Interest payment by the Foreclosure Agent. Loan Agreement in its substance represents an investment loan which is issued for Financing the Foreclosure and the repayment of which depends on the exact results of the Foreclosure, i.e., Foreclosure return. That means if the Foreclosure Agent cannot recover proceeds from the Foreclosure at the amount necessary to repay the Loan and pay the Performance Link Interest, the Foreclosure Agent won't be able to make respective payments under the Loan Agreement. Consequently, the Issuer won't receive such payments as Loan Receivables and the Noteholder will also not receive the payments under the Notes, hence the Noteholder may not receive back its invested amount and/or anticipated return.

Therefore, the risks specific to the underlying asset (Loan Receivables) could be attributed to a variety of factors, including, but not limited to:

- 1. Risks factors specific to the Foreclosure and Underlying Mortgage Debt**  
(See below the subsection entitled 'RISKS SPECIFIC TO THE FORECLOSURE AND UNDERLYING MORTGAGE DEBT')
- 2. Risk factors specific to the Foreclosure Agent and its business activities**  
(See below the subsection entitled 'RISKS SPECIFIC TO THE FORECLOSURE AGENT AND ITS BUSINESS ACTIVITIES')
- 3. Risks factors specific to the Lender**  
(See below the subsection entitled 'RISKS SPECIFIC TO THE LENDER')

## **RISKS SPECIFIC TO THE FORECLOSURE AND UNDERLYING MORTGAGE DEBT**

**1. Limitations of due diligence** – Due diligence of the potential Underlying Mortgage Debt purchase transaction is a very crucial step before a decision is made to select and purchase the Underlying Mortgage Debt from the seller, as conclusions of due diligence significantly influence the prospects to ensure a swift exit from the Debt and generate a positive return. The Foreclosure Agent has developed its own methods for due diligence of the Underlying Mortgage Debt before and when acquiring it on the debts' secondary market that relies on various information and documents. There is a risk that the information and documents could be missing, wrong or outdated, due diligence methods used insufficiently, or the experts involved can adopt material mistakes when making their conclusions and judgements.

**2. Limitations of valuation** – Objective and substantiative valuation of the Underlying Property is a very crucial step before a decision is made to select and purchase the Underlying Mortgage Debt from the seller, as the conclusion of valuation influences the prospects to ensure a swift exit from the Debt and generate a positive return. The Foreclosure Agent and/or the engaged Servicer have developed their own method for evaluating the Underlying Property that relies on various information, which can also be collected from other parties (e.g. external appraiser). There is a risk that the information and documents could be wrong or outdated, valuation methods used insufficient, or the experts involved can adopt material mistakes when making their conclusions and judgements.

**3. Macroeconomic factors** - the valuation of the Underlying Property makes assumptions about the property value and its market liquidity during normal economic conditions. A sudden change in macroeconomic factors could significantly impact the property value or prospects of alienating the property at the value provided in the initial valuation and/or in a timely manner.

### **4. Limitations of the choice of Foreclosure's scenarios**

- The choice of the Foreclosure's scenario and the ability to choose the swiftest and most economically beneficial scenario is limited for the Foreclosure Agent and depends on a variety of factors, including, but not limited to, accessibility of the Debtor's and/or pledgor (if any) and/or guarantor (if any), their willingness to cooperate and agree on the offered terms, practical ability to perform out of the court settlement and prospects of sale of an attached real estate.
- the timing, prospects and outcome of both judicial proceedings, the auction, the entrance into the possession is impossible to forecast or foresee.

### **5. Limitations of enforcement and collection procedures**

- The Underlying Mortgage Loan Agreement and/or the Underlying Mortgage Debt may, for a variety of reasons, be challenged or the claim amount decreased and thus, the prospects and ability of the Foreclosure Agent to exercise its rights under the Underlying Mortgage Debt may be influenced, delayed or otherwise hindered for an undefined term. The reasons for challenging the Underlying Mortgage Loan Agreement and/or Underlying Mortgage Debt could include errors in agreements, form and content of the agreement, breach / non-following of the legal procedures required, non-compliance with regulations, such as consumer protection laws and civil law provisions related to credits and expression of will, as well as debtor's identity fraud cases.
- some jurisdictions can set and/or within the court proceeding, a debtor can plead a lower limit that creditors may claim from the Debtor 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 Debtor.

- funds from the Debtor which are available for recovery could be allocated to various creditors, i.e., not only to the Foreclosure Agent but also to other persons for whom the Debtor owns the money, such as local tax agencies, state authorities, other creditors and utility companies. These other creditors can have a higher priority in proceeds distribution and reception rather than the Foreclosure Agent.
- legislative and/or judicial body of the country where the Underlying Mortgage Debt and Underlying Property exist could introduce a debt moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt, or delay in exercising rights to enforce the mortgaged real estate) or even full or partial debt (including interest and penalties) release.
- further collection and recovery costs might be higher than the remaining debt itself, which means the collection and recovery are not economically reasonable, thus it would not be pursued.

## **6. Limitations to enforce collateral over the Underlying Property**

- the Underlying Property might lose its value, could be sold for an amount that is less than the amount due to the Foreclosure Agent, or could not be sold in a timely manner or for the expected price, the property could be illegally alienated, severely damaged, or even destroyed or occupied by the tenants or residents, which can significantly influence the alienation and repossession times, sale value and sale prospects.
- the collateral may become invalid or unenforceable due to a number of reasons, including, but not limited to, cases when legal relations arising from the loan documents are recategorised by the court of law, mistakes and omissions are made and/or due procedures are not followed when the mortgage right is formed and/or transferred by the initial lender and/or subsequent debt purchasers. In that case, the obligations of the Debtor would become unsecured, and the credit risk significantly increases.
- the proceeds from the sale of the Underlying Property can be allocated among other creditors whose receivables can be secured or declared to be secured by the same property (unless another allocation order applies under applicable law). These other creditors may have a higher priority in proceeds distribution and reception rather than the Foreclosure Agent.

Due to the reasons described above, the Issuer and hence Noteholder can experience delayed repayments, cannot receive anticipated positive returns or lose the amount invested in the Loan (financing the respective Foreclosure) and the Notes partially or fully.

Due to this, the Notes are only suitable investments for investors with the appropriate knowledge and experience and are in a financial situation that allows them to lose part or even all of the money invested in Notes.

## **RISKS SPECIFIC TO THE FORECLOSURE AGENT AND ITS BUSINESS ACTIVITIES**

### **1. The Foreclosure Agent is not able to continue Foreclosure**

Various factors can negatively impact the Foreclosure Agent's ability to perform Foreclosure activities, which in turn could lead to delayed repayments of the Loan to the Issuer and consequently could lead to delayed repayments to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

- Loss-making operations - The Foreclosure Agent may experience losses due to various business events and factors, such as intense competition, higher than expected cost of debts acquisition, high enforcement and collection costs, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to business activities, management errors.

- Macro-environmental factors - Various macro-environmental factors, such as recession, military conflict, natural disasters, or a pandemic, could significantly negatively influence the business operations of the Foreclosure Agent.
- Loss of the Foreclosure Agent's authorization - The real estate lender (*Prestamista inmobiliario*) authorisation of the Foreclosure Agent or any other required authorisation can be revoked or otherwise lost for a number of reasons. Loss of authorisation can negatively affect the Foreclosure Agent's ability to continue its Foreclosure operations.
- Freezing, seizing, or closing of a Foreclosure Agent's operational bank account - The account that the Foreclosure Agent uses for operations might be seized, blocked, or closed for a number of reasons, including AML/KYC breaches, sanctions violations, state authorities' arbitrary actions, insolvency of a bank/payments services provider. The inability to use the bank account could restrict the Foreclosure Agent's ability to collect payments within the Foreclosure and transfer funds to the Issuer for the repayment of the Loan.
- Lack of corresponding bank chain - Corresponding bank relations of a bank/payments services provider who maintains the Foreclosure Agent's operational accounts could be dramatically amended or terminated, eliminating the Foreclosure Agents ability to make payments towards the Issuer. This may negatively affect payments to the Issuer and, thus, further distributions to the Noteholders.

## **2. The Foreclosure Agent may intentionally or unintentionally breach its contractual obligations**

There is a risk that the Foreclosure Agent performs actions that violate the Transaction Documents, including the risk of misbehaviour or fraud against the Issuer, Lender and Indemo, resulting in the partial or complete loss of amounts invested in Notes. Contractual breaches that may happen include but are not limited to:

- Underlying Mortgage Debt may be pledged to other creditors - According to the Transaction Documents, to which the Foreclosure Agent is a party, the Underlying Mortgage Debt must not be sold or pledged to any third parties. If the Foreclosure Agent intentionally or unintentionally sells or pledges the Underlying Mortgage Debt to third parties, the Noteholder could lose all the invested funds.
- The Underlying Property is or will be transferred to third parties - According to the Transaction Documents, to which the Foreclosure Agent is a party, the Underlying Property must not be transferred to any third party otherwise than within the Foreclosure. If the Foreclosure Agent intentionally or unintentionally transfers the Underlying Property to any third party otherwise than within the Foreclosure, the Noteholder could lose all the invested funds.
- False or incomplete information about the Foreclosure Agent - All information in this Base Prospectus about and/or related to the Foreclosure Agent has been provided and certified by the Foreclosure Agent as actual, true, and complete. Material errors or omissions 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.
- False or misleading information regarding the Underlying Property and Foreclosure (including information about the Underlying Mortgage Debt) - The Foreclosure Agent provides Indemo and the Lender with information about the Underlying Property and Foreclosure (including information about the Underlying Mortgage Debt). Also, the Foreclosure Agent regularly provides updates on the Foreclosure process and Foreclosure Return Proceeds. There is a risk that the Foreclosure Agent intentionally or unintentionally has provided wrong or misleading information to Indemo, the Issuer or the Lender or fails to provide information to Indemo, the Issuer or the Lender at all. As a result, the information provided to the Noteholders on the Platform and payments under the Notes could be impacted.

- The Foreclosure Agent's stops cooperation with the Lender, the Issuer and Indemo - The Foreclosure Agent could for some reason suddenly stop cooperating with the Lender, the Issuer and Indemo. This could mean not honouring its obligations under the existing agreements, including the Loan Agreement, Transaction Documents and breaching their provisions. The Foreclosure Agent could stop making payments under the Loan Agreement, which means the Issuer would not be able to make payments to the Noteholder. The Foreclosure Agent might also stop providing Indemo, the Issuer or the Lender with the necessary information or provide the information with significant delays.

### **3. Insolvency of the Foreclosure Agent or creditors' action against the Foreclosure Agent**

Insolvency, bankruptcy, creditors' action against the Foreclosure Agent or other similar adverse events may significantly influence or even dismiss the ability of the Foreclosure Agent to perform Foreclosure activities.

This means that if the Foreclosure Agent experiences significant financial problems, the Foreclosure Agent may not be able to transfer the Foreclosure Return Proceeds to repay the Loan and consequently the Issuer would not be able to make payments to the Noteholder.

If the Security Document does not provide the pledge of receivables from the Underlying Mortgage Debt in favour of the Lender and an insolvency proceeding is initiated or creditors initiate the action against the Foreclosure Agent, such proceedings and actions may lead to the recovery of the Foreclosure Agents' indebtedness against the unpledged assets of the Foreclosure Agent, including the receivables from the Underlying Mortgage Debt. In this case the Lender shall be treated as an unsecured creditor of the Foreclosure Agent. The Lender 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 maybe not be enough to cover the indebtedness towards the Lender (hence Noteholders) partially or in full.

In case of insolvency, an administrator usually is bound to consider which past transactions of the insolvent company have to be contested and which sold assets or transferred funds have to be clawed back. There is a risk that the administrator of the Foreclosure Agent takes action to claw back to the Foreclosure Agent's estate, the amounts paid under the Loan Agreement. The Lender and the Issuer would then have to take legal actions to protect their interests, 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 forecasts and outcome.

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

## **RISKS SPECIFIC TO THE LENDER**

### **1. Pass-through nature**

The Lender is a special purpose undertaking established for the purpose of (i) issuing Loan to the Foreclosure Agent for Financing of the Foreclosure and (ii) selling the Loan Receivables to the Issuer. Therefore the Lender has the pass-through nature.

The Lender is a special purpose undertaking which may be involved in the issue of loans to the Foreclosure Agent regarding the foreclosure attributable to several different underlying properties under other prospectuses or issue of loan to other foreclosure agents regarding the foreclosure attributable to several different underlying properties under other prospectuses. Lender's involvement in the issue of other loans for the purpose of attracting funds to financing foreclosure under other prospectuses usually should not interfere with Noteholders' ability to receive the payments under the Notes since the Foreclosure Agent transfers loan repayments directly to the Issuer and Issuer's internal policies and procedures ensures segregation of the incoming and outcoming cashflows for each separate loan. However, during the course of the Lender's business activities the insolvency proceedings or creditors' action against the Lender may be initiated. Although the Loan Receivables under the loans are transferred directly to the Issuer (for the benefit of the Noteholders), in case of the insolvency of the Lender an

administrator usually is bound to consider which past transactions of the insolvent company have to be contested and which sold assets or transferred funds have to be clawed back. There is a risk that the insolvency administrator of the Lender takes action to claw back to the sale of Loan Receivables, repayments of the Loan to the Issuer under this Prospectus and similar payments under other prospectuses. As the result of the insolvency proceedings such Loan Receivables, payments proceeds under the Loan Receivables may be acknowledged and treated as the assets of the Lender that are available for the general pool of creditors and not solely to the Noteholders of the specific Series of Notes. The outcome of judicial or insolvency procedure could overrule the creditors' priority due to requirements of the law, meaning that proceeds received from the Foreclosure Agent which otherwise would be attributable to Series Specific Loan could be diverted to make payments with respect to other prospectuses of the Issuer and/or with respect to other creditors of the Lender.

This portion of distributions maybe not be enough to cover the indebtedness towards the Noteholders partially or in full. The Lender and the Issuer would then have to take legal actions to protect their interests, 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 forecasts and outcome.

## **2. Macro-environmental factors**

Various macro-environmental factors, such as recession, military conflict, natural disasters, or a pandemic, could significantly negatively influence the business operations of the Lender.

## **RISKS SPECIFIC TO INDEMO**

### **1. Various events and failures could cause situations where Indemo is not able to continue operations**

Indemo operates in a complex and dynamic regulatory and competitive environment, and various events and failures could lead to Indemo 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, non-compliance events, dramatic changes in the applicable regulations impacting Indemo operating model or an economic downturn. Considering that Notes are available and being serviced only through the Platform operated by Indemo, if the latter ceases operations, this could significantly impact the Noteholder's ability to receive repayment on time.

Should Indemo 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. Indemo will continue servicing its clients and the Investment Accounts and relevant financial instruments portfolios in line with what Indemo is permitted to do according to the applicable insolvency and liquidation rules. The appointed administrator or liquidator would lead the process from the moment of the appointment. 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, Indemo 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. Non-compliance with regulations could lead to revocation of Indemo licence**

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

### **3. Failure of IT systems or a security breach could lead to significant liabilities, losses and harm relationships with customers**

Indemo is a financial technologies company which uses IT resources to onboard and service its clients. The Platform is operated, and investments into Notes and their subsequent servicing are available solely online, meaning IT systems are crucial to Indemo operations.

While Indemo as a regulated and supervised investment services provider, 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, Indemo security measures might be breached, and these security breaches could result in confidential client information being stolen, damaged or deleted. Breaches of security measures because of third-party action, employee error, third-party vendor error, design flaws in the software, or interruptions in Indemo systems and services could adversely impact our relationships with Investors, harm Indemo reputation, and expose Indemo to significant liability and losses.

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

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

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

### **5. Significant problems or termination of the agreement with Indemo partner may affect the provision of services to the clients**

While providing its services, Indemo relies on several carefully selected partners (e.g., cloud computing providers, IT systems maintenance companies, and significant software as service vendors), and any problems with the service providers could impact Indemo ability to provide services to the Noteholder. Indemo has taken several steps to reduce the likelihood and impact of such occurrences, such as internal activities continuation and recovery plan and having backup service providers where feasible. However, there is still a risk that the Noteholder may not be able to access the Platform or receive services.

### **6. Certain situations or actions may raise conflicts of interest**

While the rights and the responsibilities of Indemo, the Issuer, the Lender and the Foreclosure Agent are detailed in the Transaction Documents and this Base Prospectus, and Indemo 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.

While Indemo provides placement services to the Issuer with respect to the Notes, Indemo also provides the infrastructure services for the Lender and the Issuer to perform sales of the Loan Receivables to the Issuer. Indemo receives fees from the Foreclosure Agent for the Loan Receivables placement services. Indemo has carefully set up the fees in a compliant manner so that it would not violate the conflict – of - interest management rules. Such placement fees might qualify as inducements, and Indemo would disclose information on these inducements to the Noteholder. In addition to inducement disclosures, Indemo has set up internal procedures to identify and manage conflicts of interest. Some conflicts of interest require disclosure, and those are disclosed to Investors.

### **7. Low product demand from the Investors' side may lead to a breach of capital adequacy regulatory requirements**

Indemo is a relatively new market player entering quite a competitive market. The maintenance of the investment services provider requires fixed costs that are covered either by the operating revenue of the company or from its own funds and capital. The inability to attract sufficient resources from prospective investors due to the low demand for Notes can reduce revenue-generating opportunities for Indemo and will lead to an inability to cover operational expenses and later might trigger a breach of own funds regulatory requirements for investment firms.

## **RISKS SPECIFIC TO THE ISSUER**

### **1. The Issuer could default on its obligations or become insolvent**

The Issuer is a company wholly owned by Indemo and not engaged in any business activities other than those provided in this Base Prospectus and similar activities of issuing asset-backed securities under other prospectuses. There is a risk that the Issuer could suddenly stop effectively honouring its obligations under the existing agreements and breach its provisions, resulting in missing repayments to the Noteholder or noteholders under other prospectuses. This could lead to delayed repayment 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 following reasons, including, but not limited to, a Noteholder, noteholders under other prospectuses or other creditor initiating the insolvency proceedings 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. 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.

The Terms and Conditions of the Notes (in section 10 of this Base Prospectus) are set up and drafted as having the legal force and addressing concerns as legally binding contractual obligations. There can be external circumstances that might influence such legal construction, including, but not limited to, court rulings and/or new or modified legal enactments.

### **2. Indemo 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 Foreclosure Agent, either via direct compensation mechanism or indirectly via Indemo. If, for any reason mentioned above in 'RISKS SPECIFIC TO INDEMO', Indemo is not able to cover such costs, it could significantly influence the operations of the Issuer and its ability to service Notes and make payments to the Noteholder.

### **3. Information asymmetry**

With reference to the risks described above in 'The Foreclosure Agent may intentionally or unintentionally breach its contractual obligations - False or incomplete information about the Foreclosure Agent' and - 'False or misleading information regarding the Underlying Property and Foreclosure (including information about the Underlying Mortgage Debt)', 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 Foreclosure Agent. There is a risk that the Foreclosure Agent can provide material information with delay or fails to provide information to the Issuer at all. As a consequence:

- the Issuer through Indemo 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
- 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 relating to the information being sourced from the Foreclosure Agent.

#### **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 above in 'RISKS SPECIFIC TO THE FORECLOSURE AND UNDERLYING MORTGAGE DEBT', 'RISKS SPECIFIC TO FORECLOSURE AGENT AND ITS BUSINESS ACTIVITIES', 'RISKS SPECIFIC TO THE LENDER'.

### **RISKS SPECIFIC TO NOTES**

#### **1. Estimated maturity date, and the return of which is solely dependent on the Foreclosure return**

Payments, performance, and amount of return under the Notes to Noteholders will depend solely on the proceeds collected from the Foreclosure of the Underlying Property and transferred to the Issuer as payments of the Loan Receivables.

**The maturity date provided in the Final Terms of each Series is based on the assumptions and is just an estimation. The actual maturity date can occur earlier or significantly later. It will depend solely on the final results of the Foreclosure and performance by Foreclosure Agent.**

The timing, prospects and outcome of these activities are impossible to forecast or foresee. Eventually, this could lead to delayed payments or partial or full loss of the amount invested in the Notes.

#### **2. An undiversified investment portfolio may lead to greater risk exposure**

Significant investments in different Series which are attributable to the Foreclosure that relate to one and the same Underlying Property mean higher concentration of risk of losses if the selected investment opportunity will not perform as expected. Indemo encourages its clients to build a well-diversified portfolio and provides several tools to automate investing in Notes, making this easier.

Furthermore, currently, Indemo offers investment opportunities originated/sourced only from one market, Spain. This means that the performance of the Noteholders' portfolio and investment risk depends on the specific country and product, being mortgage loan, risks.

#### **3. The Noteholder has no rights of recourse against the Foreclosure Agent, the Debtor, the Servicer**

The Noteholder has no direct right to the Loan Receivables. Instead, the Noteholder is acquiring Notes, which the corresponding Loan Receivables back. The legal title in the Loan Receivables and relevant rights arising from them are vested in the Issuer. This means that the Noteholder will have no direct recourse against the Foreclosure Agent. The Noteholders are not entitled to pursue Foreclosure or collect payments from the Foreclosure Agent. For the same reason, the Noteholder will have no direct recourse against the Debtor. The Noteholder has no ability to pursue the Foreclosure Agent to perform its duties and obligations due duly. All such actions 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.

#### **4. 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 arising from this Base Prospectus or other prospectuses, thus all the proceeds the Issuer receives from all the Loan Receivables is distributed on pro-rata basis or otherwise.

#### **5. 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 Foreclosure Agent, there are certain costs, such as taxes, Indemo fees and other costs 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 priorities of payments, which differ from the priority in this Base Prospectus.

#### **6. 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 other costs, related to the specific Note, then these will be covered from the payments due to the Noteholders according to the priority of payments defined in this Base Prospectus. 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.

#### **7. Event of default under another prospectus affecting Noteholders**

The Issuer has or could in the future enter into transactional documentation to issue loans' backed and contingent notes that are attributable to other debt recovery and lending companies.

If for some reason an event of default arises under another prospectus, it can lead to an event of default under this Base Prospectus, and as a consequence, Noteholders can face similar risks as described in paragraphs 2, 3 and 4 of the 'RISKS SPECIFIC TO THE NOTES'. For example, the outcome of judicial or insolvency procedure could overrule the creditors' priority due to requirements of the law, meaning that the noteholders under another prospectus could be treated pari passu with other unsecured creditors of the Issuer, including with the Noteholders of Notes issued under this Base Prospectus, and/or could define other priority of payments, which differs from the priority in this Base Prospectus, meaning that proceeds received from the Foreclosure Agent which otherwise would be attributable to Series Specific Loan could be diverted to make payments with respect to other prospectuses of the Issuer and/or with respect to such proceedings.

#### **8. Due diligence and monitoring performed by Indemo are limited in scope, do not address all material risks, and do not provide any assurance or indemnification**

Before the Foreclosure Agent is issued a Loan and during the cooperation, Indemo itself and on behalf of the Lender carries out due diligence. It is important to point out that this process is limited in scope and does not address all material risks relating to an investment in the Notes but rather reflects the view of Indemo at the time the due diligence and monitoring are performed. The scope of the due diligence performed by Indemo is limited only to the verification of the existence of the copies of the agreement on Underlying Mortgage Loan, copies of the documents establishing collateral over the Underlying Property and copies of the valuation of the Underlying Property.

Indemo 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 Noteholder relying upon the due diligence and monitoring performed.

#### **9. No specific securitisation laws in Latvia**

There are no dedicated laws and regimes in Latvia addressing issuer's as specific special-purpose vehicle insolvency or limited recourse concepts. Indemo believes the Terms and Conditions of the Notes are set up and drafted as having the legal force and addressing such concerns as legally binding contractual obligations. There might be circumstances that influence such legal construction, including, but not limited to the court ruling, or new or modified legal enactments. Eventually, this could lead to delayed payments or partial or full loss of the amount invested in the Notes.

#### **10. Early repayment of the Loan could impact planned return**

The Foreclosure Agent may repay the Loan earlier, before Loan Final Repayment Date set forth in the Final Terms.

In this case the relevant Series of Notes will be redeemed early in full once the Issuer has received the outstanding principal amount. In case of early repayment of the Loan the Foreclosure Agent pays early repayment fee at the amount set in the Loan Agreement. Therefore, the Noteholders' return on the investments in the Notes which are redeemed due to the early repayment of the Loan may be lower than the initially planned return.

#### **11. New regulations introduced in the future could impact the Noteholder and Indemo**

In the current fast pace regulatory environment, the financial services industry over the last years has experienced the introduction of several new regulations. With further developments and adoption of technologies, jurisdictions, either where Noteholders or Indemo are domiciled, are likely to introduce new regulations or administrative interventions that could relate to Notes or online investment platforms such as the Platform. Such regulations in the future, for example, could 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.

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

#### **12. New regulation in relation to taxes could impact the expected return for the Noteholder**

In the event that new regulation is introduced, or existing regulation or its interpretation changes so that the Issuer and/or Indemo needs to withhold additional taxes before making payments to the Noteholder, and the Issuer and/or Indemo 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 for the Noteholder.

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

The Notes are illiquid securities and passive investment opportunities, there is no market for them, and the Notes are not admitted to any trading venue. This means there is no possibility to sell them on the open market. The Noteholder should therefore only invest in Notes that the Noteholder is comfortable with holding to maturity or actual maturity.

#### **14. Investing in Notes issued in other currencies increases 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.

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

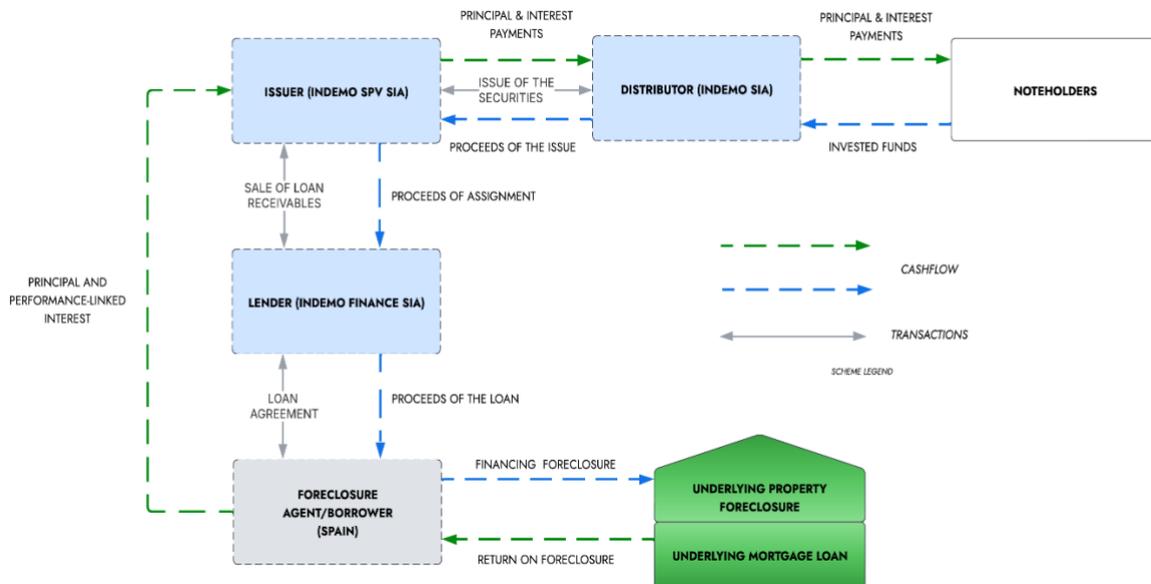
Investment in Notes does not have the status of a bank deposit in Latvia or elsewhere and is not within the scope of the deposit protection or guarantee scheme operated by the Republic of Latvia or any other jurisdiction.

## 4. Transaction Overview

### TRANSACTION IN RELATION TO THE NOTES

The purpose of issue of the Notes is attract funding for the Foreclosure Agent to finance its main business activities in Foreclosure and to allow Noteholders to take risks and returns from the investments into Foreclosure .

With a view to issuing and offering the Notes as described in this Base Prospectus, the Issuer, Indemo, Lender and the Foreclosure Agent have entered into the Transaction Documents. This process can be divided into several functional stages as described below.



#### 1. The purchase of the Underlying Mortgage Debts by Foreclosure Agent

The Foreclosure Agent selects and buys the Underlying Mortgage Debt on the institutional debts' secondary market and works out the Underlying Mortgage Debt by ensuring the Foreclosure: debt collection, enforcement of the collateral over Underlying property and restructuring activities or sale of the Underlying Mortgage Debt on the later recovery stage. However, the Foreclosure Agent needs refinancing of the loans which have been previously taken by Foreclosure Agent for the purchase of the Underlying Mortgage Debt on the institutional debts' secondary market.

#### 2. Issue of the Loan to Foreclosure Agent by Lender and transfer of the Loan Receivables by the Lender to the Issuer

The Foreclosure Agent concludes the Loan Agreement with the Lender which is a special purpose entity affiliated with the Issuer. The Lender undertakes a commitment to issue a Loan to the Foreclosure Agent for Financing Foreclosure. The funds for the Loan are generated by the Lender through the sale of future Loan Receivables to the Noteholders at the Purchase Price which equals the amount of the Loan.

The Issuer is a special purpose legal entity established for the purposes of issuing and offering the Notes, which are backed by the Loan Receivables, to Investors via Indemo operated Platform

Each Series consists of Loan Receivables relating to one Loan which is for full or partial Financing of the Foreclosure linked to one Underlying Mortgage Loan which is secured by one Underlying Property. Sometimes

a single Underlying Mortgage Loan may be secured by several Underlying Properties. The Foreclosure relates to the Underlying Mortgage Debt on which the Debtor has failed to make payments.

After the receipt of the Foreclosure Agent’s application for the issue of a Loan and its review, the Lender makes, from time to time, an irrevocable offer to sell the Loan Receivables to the Issuer. Indemo on behalf of the Issuer verifies the information provided about the Loan Receivables and Foreclosure (including related information about the Underlying Mortgage Debt), validates it through certain eligibility criteria to serve as the underlying assets for a particular Series of Notes and to satisfy other conditions precedent.

After successful validations, the offer for sale of the Loan Receivable is accepted by the Issuer as evidenced by the mutual Transfer Deed.

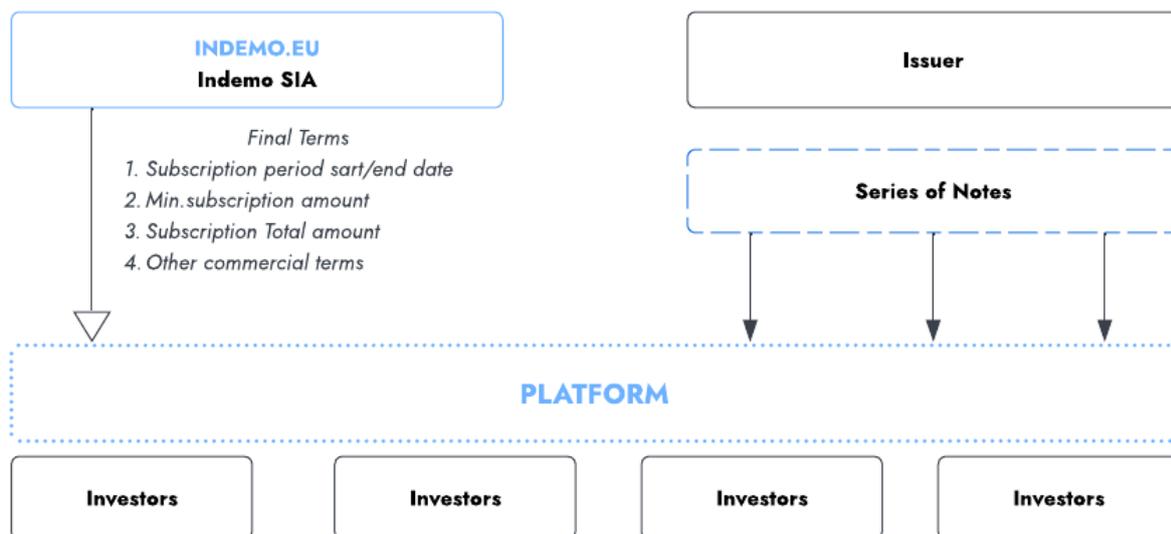
Payment for the acquired Loan Receivable is subject to placement of the Series of Notes.

The Lender does not retain any material net economic interest in the Loan Receivables.

The Loan Receivables transferred to the Issuer and backing the Series have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes

### 3. Subscription and issue of Series of Notes

Once the Transfer Deed is in place, Indemo publishes the Final Terms for the relevant Series of Notes on the Platform on behalf of the Issuer.



The Final Terms provide the start date and end date of a subscription period when the Notes are publicly offered by the Issuer through the Platform, and Investors can subscribe.

The Final Terms also provide a minimum total subscription amount, which needs to be reached for the placement to be treated successfully and the Series to be issued. The Final Terms also provide an offer and issue price for Notes.

Investors' subscriptions are registered and satisfied on a “first come, first served” basis. The Investor is not allowed to change (reduce) its subscription order.

Information about the offer results of the Notes is published on the website [www.indemo.eu](http://www.indemo.eu) in real time starting from the subscription period start date.

When the total subscription amount is reached, the Platform ends up accepting a new subscription application and hence no amounts can be paid in excess of the accepted subscription applications.

If the placement is unsuccessful as of the subscription end date (i.e. minimum total subscription amount is not reached), the Platform releases the subscribed amounts held back to the Investment Accounts.

The Issuer does not expect any conditions to which the offer of the Notes would be subject other than those provided above.

Series are issued on the Issue Date.

To subscribe to the Notes, the Investor registered on the Platform submits an investment order by means of the Platform, indicating the amount of money the Investor wishes to invest in particular Notes. The Investor can also use automated portfolio management services provided by Indemo to purchase the Notes. The subscribing to Notes is automated and takes place in real-time.

When the investment order is accepted by the Platform, Indemo debits cash funds from the Investor's cash account with Indemo and delivers the Notes to the Investor's financial instruments account with Indemo on the Issue Date subject to the Issue minimum subscription amount reached.

The minimum subscription amount for one Investor is one Note. The maximum subscription amount is up to the Aggregate Nominal Amount for the relevant Series of Notes. Still, it is subject to the nominal amount of the Notes being available for subscription at the execution time of the investment order (according to a "first come, first served" basis).

No expenses are expected to be charged to the Investor by the Issuer when purchasing Notes. Currently, there is no financial transaction tax to be applied by the Issuer and/or Indemo to the Investor solely for 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, which would equal the amount of the Loan to be issued.

#### **4. Issue and use of Loan proceeds**

When the 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 by the Issuer to the Lender which, in its turn, uses received proceeds for the issue of the Loan to the Foreclosure Agent. The Foreclosure Agent uses the loan proceeds to Finance the Foreclosure, i.e., the refinancing of the previously acquired loans for the purchase of the Underlying Mortgage Debt.

Under the Loan Agreement the Foreclosure Agent agrees to make payments to the Lender in accordance with the following conditions:

- the principal amount of the Loan shall be repaid not later than on the Loan Final Repayment Date set forth in the Final Terms for the respective Loan or as extended according to this Base Prospectus and Final Terms (if extended);
- the repayment of the principal amount of the Loan at the expense of the Foreclosure Return Proceeds shall be made not later than 10 Business Days after the receipt of the respective Foreclosure Return Proceeds by the Foreclosure Agent;
- the payment of the Performance-Linked Interest under the Loan shall be made after the repayment of the principal amount of the Loan on the Loan Final Repayment Date.

#### **5. Payments under the Notes**

The principal repayments and Interest payments under the Notes are linked and contingent on corresponding payments being made under the underlying Loan Receivables (repayment of the principal of the Loan and payment of the Performance-Linked Interest). The payments under the underlying Loan Receivables are linked and contingent on the receipt of the respective Foreclosure Return Proceeds.

That means that

- if the Foreclosure Agent is late on its payments under the Loan Agreement, the payments to the Investors under the Notes will also be delayed;
- if the Foreclosure Agent does not make payments under the Loan Agreement, there will be no payments to the

Investors under the Notes.

Foreclosure Agent's financial ability to make payments under the Loan Agreement depends on the results of the Foreclosure, hence Foreclosure Agent's chosen scenarios and Foreclosure Agent's professional skills and performance.

Foreclosure Agent's activities within the Foreclosure usually add up to four main scenarios for the resolution/work out of the Underlying Mortgage Debt to ensure return on Foreclosure and the repayment of the principal amount of the Loan and Performance-Linked Interest:

- out of the court settlement is reached between the Debtor and the Foreclosure Agent, the Underlying property is sold on the market, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt;
- the judicial auction takes place, real estate is sold there, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt;
- the judicial auction takes place without any success, the Foreclosure Agent takes ownership of the Underlying Property, sells it on the market, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt.
- The Underlying Mortgage Debt is sold by the Foreclosure Agent on the market at a higher price at the later stages of the debt recovery process.

Each time return from the Foreclosure takes place and the Foreclosure Agent receives proceeds, the Foreclosure Agent transfers the Foreclosure Return Proceeds to the Issuer, i.e., repayment of the Loan at the amount of the Foreclosure Return Proceeds takes place. The Issuer in its turn uses the received funds and makes repayments under the relevant Series of Notes to the relevant Noteholders via Indemo. The repayments are received in the relevant Investment Account. Repayments are allocated first to settle the invested amount, being the principal, and then the remaining part of proceeds is allocated to pay interest.

Interest rate under the Notes is equal to the Performance-Linked interest under the Loan agreement which is set in the Loan Agreement and Final Terms. The Performance-Linked interest is calculated towards the remaining part of the Foreclosure Return Proceeds after compensation of Foreclosure-related costs in accordance with the Cooperation agreement and discharge of the principal amount of the Loan. These remaining proceeds are shared between the Lender as a Performance-Linked Interest and the Foreclosure Agent as its earnings for Foreclosure works accomplished. This is a common cooperation model between professional servicers and investors who invest in distressed assets which exists on the debts' secondary market for years.

For example, the price at which an Underlying Mortgage Debt was purchased by Foreclosure Agent is set at EUR 100 000. The amount of the Loan is EUR 100 000. The Foreclosure-related costs amount to EUR 20 000. The Performance-Linked Interest rate is set at the rate of 50%. The Foreclosure Return amounts to EUR 170 000. This means that EUR 20 000 are paid to compensate Foreclosure-related costs, then EUR 100 000 are payable as repayment of the principal amount of the Loan and the performance-linked interest is applied to the remaining proceeds at the amount of EUR 50 000 at the rate set above. This means that 50% of the excess proceeds, which equals to EUR 25 000, are attributable and payable to the Lender as Performance-Linked Interest for further payment of the interest at the same amount (EUR 25 000) under the Notes to Noteholders on pro rata basis to the number of Notes owned by them.

*This example is provided for information purposes only; all mentioned amounts, rates and times are random figures and do not guarantee any future results.*

Considering that the Underlying Mortgage Debt is bought by the Foreclosure Agent at a discount, usually, there is a monetary spread between the price of the purchase of the Underlying Mortgage Debt (or its relevant part) by the Foreclosure Agent (which usually equals to the amount of the Loan which the Foreclosure Agent receives from the Lender) and both the value of the Underlying Property and the Underlying Mortgage Debt amount. This monetary spread allows the Foreclosure Agent acting in good faith, to choose the most economically beneficial exit scenario by balancing the time is of the essence criterion and the sale proceeds amount criterion. In some cases, the Underlying Mortgage Debt amount can be higher than the value of the Underlying Property as the Debtor's indebtedness increases over time. This provides the Foreclosure Agent with a leverage in negotiations

with a Debtor on the voluntary settlement of the Debt.

See the section entitled '7. FORECLOSURE AGENT' of this Base Prospectus for more information.

Notes can have several payments which reflect the results of the Foreclosure.

## **6. No credit enhancement**

The Notes have no credit enhancements and no liquidity support in relation to the 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 Foreclosure Agent. The Foreclosure Agent, in turn, is dependent on the Foreclosure return (see subsection entitled '5. Payments under the Notes' of this section '4. Transaction Overview' of Base Prospectus for more information).

## **TRANSACTION DOCUMENTS**

*The information in this section is a summary of certain features of the Transaction Documents provided for information purposes and will not be treated as the full binding text of the relevant agreement.*

### **Cooperation Agreement**

- **General**

The parties to the Cooperation Agreement are the Foreclosure Agent, the Lender, the Issuer, and Indemo (the "Parties"). The Cooperation Agreement establishes the foundation for a cooperative and successful relationship between the Parties regarding the investment in Foreclosure. The Cooperation Agreement is a framework agreement, therefore the Parties will not execute a separate cooperation agreement for each Loan, its securitization and Foreclosure attributable to each Underlying Property.

In the Cooperation Agreement, the Parties agree on the terms of the issue of the Loan by the Lender to the Foreclosure Agent, sale and purchase of the Loan Receivables between the Lender and the Issuer, terms and conditions of the offering of the Notes on the Platform, terms and conditions on the distribution of the Foreclosure return and agree on the other terms of cooperation between the Parties with respect to the Notes.

The Cooperation Agreement has the following appendices:

- Appendix 1 General terms of the Investment Loan Agreement
- Appendix 2 Payment Terms;
- Appendix 3 Sample of the Transfer Deed.
- Appendix 4 Draft of this Base Prospectus
- Appendix 5 – Sample of the report on Foreclosure results.

- **Issue of Loans**

The Cooperation Agreement outlines the main principles for the issue of Loan by the Lender to the Foreclosure Agent, eligibility criteria for the Loans. The Annex of Cooperation Agreement - Investment Loan Facility Agreement – is the framework agreement which contains terms and provisions for

- (a) the issue of Loan under which the Lender undertakes commitment to issue a Loan at the maximal amount of Underlying Mortgage Debt Price, subject to a separate application of the Foreclosure Agent and certain conditions precedent.
- (b) the repayment of the Loan.

Each Loan under Investment Loan Facility agreement shall be issued on the basis of a separate Loan Application (accepted by the Lender) which will supplement the general terms of the Investment Loan Agreement. The Loan Application amongst others, will stipulate the special terms and conditions of the Loan Agreement such as the amount of the Loan, issue date, repayment date and Performance-Linked Interest.

- **Sale and purchase of the Loan Receivables**

The Cooperation Agreement outlines the terms and conditions for the sale and purchase of Loan Receivables between the Lender and the Issuer. Each transfer of the Loan Receivables will be evidenced by a Transfer Deed. The Transfer Deed contains an exact amount of the Purchase Price for the Loan Receivable and the Transfer Date. The Cooperation Agreement also includes specific provisions related to the transfer process, including the conditions that must be met, the required information about the Loan Receivable and the Underlying Property.

- **Main principles of the Foreclosure process and distribution of Foreclosure return**

The Cooperation agreement outlines the main principles which the Foreclosure Agent should adhere to during the Foreclosure to achieve the purpose of the cooperation of the involved parties. These principles inter alia refer to the choice of the Foreclosure scenario, distribution of the Foreclosure return and priority of payments, provision of the information on the course of the Foreclosure. The Cooperation Agreement sets out requirements for the Underlying Property and related Foreclosure which will be financed by investors through the issue of Loan and the Notes.

- **Receipt of the payments under Loan Receivables**

The Cooperation Agreement outlines the order for the receipt and distribution of the payments under the Loan Receivables.

- **Representation and Warranties**

The representations and warranties section of the Cooperation Agreement outlines the obligations and assurances of the relevant Parties regarding the Notes, Loan Receivables, Loan, Foreclosure and related Underlying Property and Underlying Mortgage Debt.

The Foreclosure Agent represents and warrants that it is the sole owner of the Underlying Mortgage Debt and the Foreclosure Agent has the full right, authority and necessary skills and professional experience to ensure the Foreclosure with regard to the Underlying Property. The Foreclosure Agent warrants to use the Loan Proceeds solely for the Financing of the Foreclosure.

The Lender represents and warrants that it is the sole owner of the Loan Receivables and has the full right and authority to sell them to the Issuer. The Lender also represents and warrants that the Loan Receivables are free of liens or encumbrances.

The Issuer represents and warrants that it has the full right and authority to purchase the Loan Receivables and issue the Notes. The Issuer also represents and warrants that the Notes will be issued in accordance with the Final Terms and the Base Prospectus.

The Parties further agree to indemnify and hold harmless each other for any losses or damages resulting from a breach of these warranties.

- **Authorizations to Indemo**

The Cooperation Agreement outlines the authorizations and delegations issued to Indemo to act on behalf the Issuer and Lender in certain cases.

- **Events of Default**

The Cooperation Agreement outlines several events that would constitute a default. These events include, among others, non-payment, failure to fulfil certain obligations, insolvency, misrepresentation, and breach of anti-money laundering obligations by the Lender or the Foreclosure Agent. In the event of a default, Indemo is entitled to (i) cease placement of the Notes on the Platform, (ii) on behalf of the Issuer is entitled to oblige the Foreclosure Agent to repay the Loan prematurely and (iii) on behalf of the Issuer and/or the Lender is entitled to start enforcement of the Security Document. The event of the default will trigger the Lender's demand on early repayment of the Loan by the Foreclosure Agent and enforcement of the Security Document (if necessary).

- **Term and Termination**

The Cooperation Agreement outlines the terms and conditions for the termination of an agreement. The agreement may be terminated by written agreement of the parties, by either party with 60 days' notice, or by Indemo and/or

the Issuer in the event of a default. Certain obligations and remedies will survive termination, and a payment report summarising all payments due will be provided upon termination.

- **Governing Law and Dispute Resolution**

The Cooperation Agreement shall be governed by the laws of the Republic of Latvia, and any disputes shall be resolved by the court of laws of the Republic of Latvia.

### **Security Document**

The Security Document (specific type of security) shall be specified in the Final Terms. There may be following types of security:

the pledge of the Foreclosure Agent's shares in favour of the Lender and/or the Issuer, Guarantee Agreement on the Purchase Option of shares of Foreclosure Agent between the Issuer, Foreclosure Agent and the owner of Foreclosure Agent, and/or the pledge of the Foreclosure Agent's owned Underlying Property in favour of the Lender or the Issuer.

The aim of the security document is to ensure control over the assets of a party which fails to comply with its payment/financial obligations under the Cooperation Agreement.

The Issuer/Lender, in its capacity as the prospective pledgee, shall have full and exclusive discretion to determine the specific type of Security Document to be concluded.

## **5. Issuer**

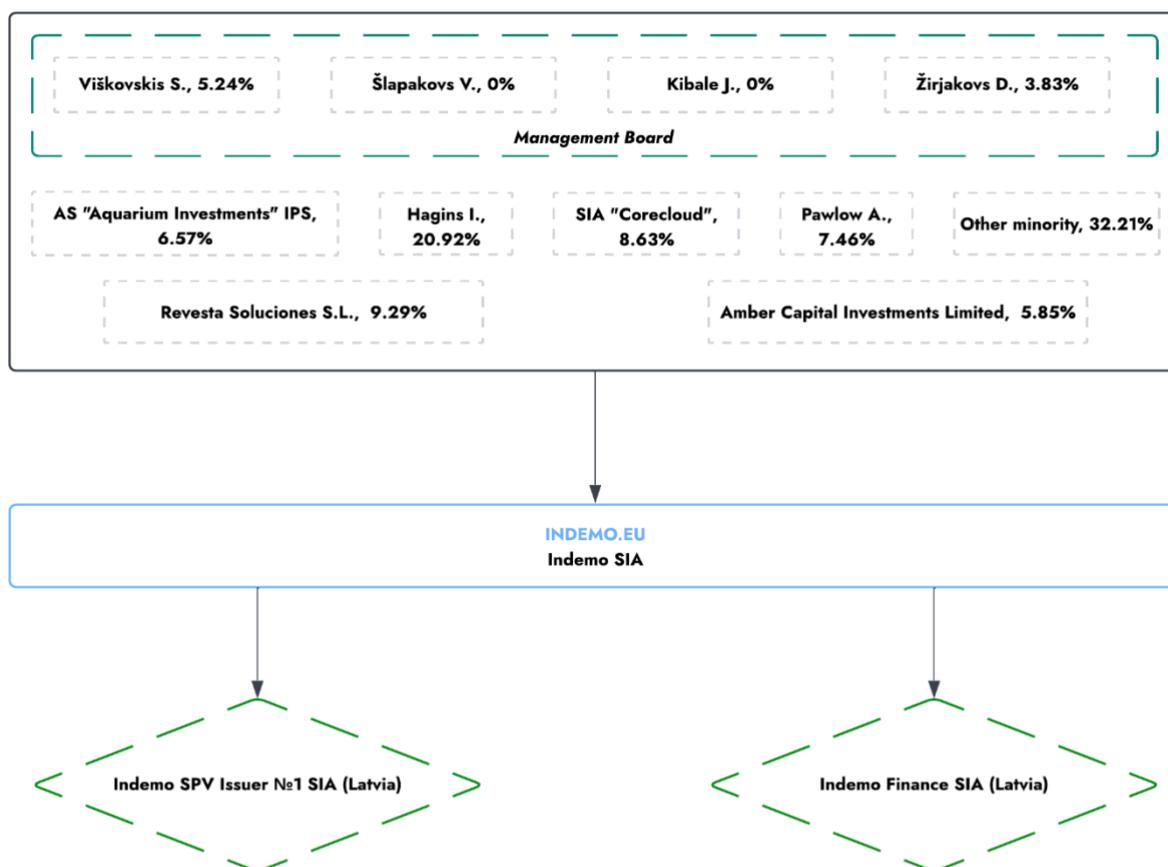
### **GENERAL**

The Issuer is a special purpose undertaking established for the purpose of issuing and offering Notes to Investors on the Platform, which are backed by the Loan Receivables acquired from the Lender.

The Issuer is also a special purpose undertaking established for the purpose of issuing and offering other types of asset-backed securities, i.e., notes which are backed by the loan receivables under performing and non-performing mortgage loans. Except for the above mentioned, the Issuer is not involved in any other business activities.

The Issuer is incorporated as a limited liability company and registered in the Commercial Register of the Enterprise Register of the Republic of Latvia on 15 February 2023 under the name Indemo SPV Issuer No1 SIA with registration number: 40203462441. It operates under the laws of the Republic of Latvia and has its registered office at Skanstes iela 50, Riga, LV-1013, Latvia. Phone number: + 371 28636353. The Legal Entity Identifier (LEI) of the Issuer is: 6488R109SEO6R317YK44.

The registered share capital of the Issuer is EUR 2800 consisting of 2800 shares, each having a nominal value of EUR 1. Each share is entitled to one vote. The sole shareholder of the Issuer is Indemo SIA (Indemo), registration No. 40203401432.



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

The Issuer is managed by the Management Board, and the board members are appointed by the sole shareholder of the Issuer - Indemo.

Title	Name, Surname	Other roles
Chairman of the Management Board	Sergejs Viskovskis	Chairman of the Management Board of Indemo, Chief Executive Officer. Oversees legal and regulatory compliance, marketing and public relations, investors' support, administrative, human resources management and data protection functions with Indemo. Mr. Viskovskis does not perform any other significant activities beyond Indemo corporate group.
Member of the Management Board	Vladimirs Slapakovs	Oversees accounting, finance, safekeeping, custody and product development functions within Indemo. Mr. Slapakovs does not perform any other significant activities beyond Indemo corporate group.

Member of the Management Board	Daniels Zirjakovs	Member of the Management Board of Indemo, Chief Technology Officer. Oversees IT development, IS support and IS security functions within Indemo. Mr. Zirjakovs does not perform any other significant activities beyond Indemo corporate group.
Member of the Management Board	Jelena Kibale	Member of the Management Board of Indemo, Chief Risks Officer. Oversees risks management and AML/CFTP, international sanctions compliance functions within Indemo. Mrs. Kibale does not perform any other significant activities beyond Indemo corporate group.

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, the up-to-date articles of association (Statutes) of the Issuer can be accessed on <https://back-blog.indemo.eu/download/7> and the up-to-date information on the Board Members of the Issuer can be accessed at <https://www.indemo.eu/Imprint>.

#### **AUTHORISATION**

This Programme and the issue of Notes in Series have been duly authorised by the decision of the sole shareholder of the Issuer on 13 February 2026.

#### **FINANCIAL INFORMATION**

Issuer's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU.

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

The auditors of the Issuer appointed for the financial year 2023-2025 are SIA "Crowe DNW", registration number: 40103171002, licence No. 157, registered address Bauskas iela 58 – 1, Riga, Latvia.

The Issuer's financial data:

[Financial Report 2023 \(translation into English\)](#)

[Independent Auditor Report 2023 \(translation into English\)](#)

[Financial Report 2024 \(translation into English\)](#)

[Independent Auditor Report 2024 \(translation into English\)](#)

The financial statements of the Issuer for subsequent years will be available at <https://www.indemo.eu/financial-reports>. The financial report for 2025 shall be prepared by 30 April 2026.

#### **ACTIVITIES PERFORMED**

The activities of the Issuer are as follows:

- issue and public offer of the Notes to the Investors by means of the Platform, including preparation, submission to Latvijas Banka and publication on the Platform of this Base Prospectus;
- purchase of Loan Receivables from the Lender;

- payments under the Notes through Indemo, subject to receiving relevant funds from the Foreclosure Agent;
- publication of financial and other information to Noteholders in accordance with applicable law.

## **SIGNIFICANT OR MATERIAL CHANGE AND/OR LITIGATION**

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 of its last published financial statement.

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. Lender**

### **GENERAL**

The Lender is a special purpose undertaking established for the purpose of issuing Loan to the Foreclosure Agent for Financing of the Foreclosure. The Lender is not involved in any other business activities, except for the issue of loan as special purpose undertaking to other entities which ensure the foreclosure attributable to the underlying real properties under other prospectuses of the Issuer.

The Lender is incorporated as a limited liability company and registered in the Commercial Register of the Enterprise Register of the Republic of Latvia on 21 July 2025 under the name Indemo Finance SIA with registration number: 40203665098. It operates under the laws of the Republic of Latvia and has its registered office at Skanstes iela 50, Riga, LV-1013, Latvia.

The registered share capital of the Issuer is 2 800 euro consisting of 2 800 shares each having a nominal value of EUR 1. Each share is entitled to one vote. The sole shareholder of the Lender is Indemo SIA (Indemo), registration No. 40203401432, which means that the Lender is under the control of the same individuals and entities as Indemo is.



The Lender has no subsidiaries and does not own any shares or equity.  
 The Lender is managed by the board members who are appointed by the sole shareholder of the Issuer - Indemo.

Title	Name, Surname	Other roles
Chairman of the Management Board	Sergejs Viskovskis	Chairman of the Management Board of Indemo, Chief Executive Officer. Oversees legal and regulatory compliance, marketing and public relations, investors' support, administrative, human resources management and data protection functions with Indemo. Mr. Viskovskis does not perform any other significant activities beyond Indemo corporate group.
Member of the Management Board	Vladimirs Slapakovs	Oversees accounting, finance, safekeeping, custody and product development functions within Indemo. Mr. Slapakovs does not perform any other significant activities beyond Indemo corporate group.

Member of the Management Board	Daniels Zirjakovs	Member of the Management Board of Indemo, Chief Technology Officer. Oversees IT development, IS support and IS security functions within Indemo. Mr. Zirjakovs does not perform any other significant activities beyond Indemo corporate group.
Member of the Management Board	Jelena Kibale	Member of the Management Board of Indemo, Chief Risks Officer. Oversees risks management and AML/CFTP, international sanctions compliance functions within Indemo. Mrs. Kibale does not perform any other significant activities beyond Indemo corporate group.

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, the information on the current Board Members of the Lender can be accessed on <https://www.indemo.eu/Imprint> and the up-to-date text of the articles of association (Statutes) of the Lender can be accessed at <http://www.indemo.eu/docs/>.

## FINANCIAL INFORMATION

The Lender has commenced its operations in 2025, the financial statements for 2025 as first year of operations shall be prepared till 30 April 2026. The auditors of the Lender appointed for the financial year 2025 are SIA “Crowe DNW”, registration number: 40103171002, licence No. 157, registered address Bauskas iela 58 – 1, Riga, Latvia.

## ACTIVITIES PERFORMED

The activities of the Lender are as follows:

- issue of the Loan to the Foreclosure Agent;
- cooperation with the Issuer in order to attract the funds for Financing of the Foreclosure;
- exchange of the necessary information for the purpose of the Financing of the Foreclosure.

## SIGNIFICANT OR MATERIAL CHANGE AND/OR LITIGATION

At the date of this Base Prospectus, there has been no significant or material change in the financial position of the Lender since the date of incorporation of the Lender.

The Lender (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 Lender.

## 7. Foreclosure Agent

### BUSINESS OVERVIEW

The Foreclosure Agent is a specialized legal entity focused on the acquisition of non-performing loans (NPLs) on a secondary market and investing into mortgaged real estate by choosing the optimal scenario for the work out of the underlying debt. The Foreclosure Agent was incorporated under the laws of the Kingdom of Spain as a private limited liability company on 16 September 2020 and is registered with the Bank of Spain as a real estate lender (*Prestamista inmobiliario*) under code D465 on the 26<sup>th</sup> of May 2021. The Foreclosure Agent has its registered office at Av Diagonal Num.594 P.6 Pta.1 Barcelona, 08021, Spain.

The main business activity of the Foreclosure Agent is the investments in NPLs and mortgaged real estate. The investments in NPLs and mortgaged real estate are (i) the purchase of a loan where the borrower has stopped paying the instalments on the principal (original amount) and interest from a bank or investment fund under an assignment agreement and (ii) choosing the optimal scenario for the work out of the debt, taking into consideration the relevant factors for the decision making and performing the Foreclosure, including (if necessary) the take-over of the Underlying Property and selling it.

The Foreclosure Agent started its operations in October 2021 by purchasing the NPL portfolio with the total collateral market value of over 5 million euro. The NPL portfolio was fully closed in 2025 with an average profit of 15% p.a. Besides that the Foreclosure Agent issued a mortgage portfolio for almost 1 million euro which currently has an outstanding balance of 280 000 euro with a market value of 985 000 euro.

Key financial figures of the Foreclosure Agent:

	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
<b>Total Assets (EUR)</b>	2.166.188,12	2.230.029,31	2.298.322,09	2.341.889,93	1.483.610,63
<b>Volume of NPL portfolio (EUR)</b>	2.011.838,19	2.011.838,19	1.720.332,88	934.213,06	954.300,24
<b>NPL portfolio (as % of total assets)</b>	92,87%	90,22%	74,85%	39,89%	64,32%

All loans in the portfolio are real estate loans backed by properties located in Spain. The loan portfolio comprises mortgage loans issued by the Foreclosure Agent and NPLs backed by real estate mortgages acquired by the Foreclosure Agent on the loans' secondary market. The Foreclosure Agent plans to increase its NPL portfolio up to 2 million euro until June 2026.

Below is the information on NPLs portfolio as of 31 December 2025:

NPL collateral market value, EUR	2.593.881
NPL claim amount, EUR	2.938.957

To achieve its business goals in the most effective way, the Foreclosure Agent deliberately prioritises the engagement of top-tier debt portfolio managers and Servicers with deep experience in Spanish NPL markets and a demonstrable history of successful recoveries.

The debt portfolio manager is responsible for the comprehensive screening, analysis, evaluation and selection of NPL opportunities, as well as managing the full NPL purchase process. This includes assessing debtor profiles, collateral liquidity, legal soundness, pricing parameters and the feasibility of settlement strategies, ensuring that each acquisition aligns with the Foreclosure Agent's risk and return objectives.

The Servicer plays an important role in the debt recovery phase. Its main tasks include servicing, administering and enforcing the Underlying Mortgage Debt and the respective collateral. The Servicer manages communication with debtors, seeks out-of-court settlement opportunities, oversees legal processes where necessary, and ensures

that collateral is enforced in accordance with regulatory requirements and market standards. Through this specialised operational support, the Foreclosure Agent maintains a disciplined, compliant and efficient approach across the entire NPL lifecycle.

## **NPL BUSINESS STRATEGY**

The Foreclosure Agent focuses on the purchase of loans secured by real estate in Spain. Initially, these loans were issued by traditional high-street banks in accordance with their lending policies. The banks carried out an initial financial and legal analysis of the borrowers and their ability to repay the loans. All loans must be registered as notarial deeds in Spain.

The Foreclosure Agent acquires these loans either directly from the banks that issued them or from investment funds that have taken over the loans from the banks. The Foreclosure Agent uses its own contacts and third-party brokers to find new counterparties and suppliers of NPL deals.

The Foreclosure Agent buys NPLs at a price lower than the amount of the debt itself (at a discount) and lower than the estimated market value of the collateral. Also, when buying a loan, the quality of the collateral, its appraisal, the correctness of the legal process and the documentary base of the mortgage, and the stage of the legal process are evaluated. Loans are usually secured with a liquid real estate (mainly residential apartments/private houses) pledge.

An important focus for the Foreclosure Agent is a constant effort to purchase NPLs where the collateral is the second residence or commercial premises, which eliminates the need to evict the tenants. The Foreclosure Agent purchases loans where the borrowers are individuals and legal entities, but the real estate pledge must secure all loans.

The company focuses on purchasing loans with collateral in the following geographic areas of Spain:

- major cities in Spain such as Madrid and Barcelona and their surroundings;
- tourist sites related to domestic tourism;
- cities with well-known universities and large-scale production facilities.

The Foreclosure Agent's business development goals for the next 3-5 years are to strengthen its position as a key player in the NPL secondary market in Spain.

The Foreclosure Agent purchases NPL loans at the expense of shareholder's short-term loans and floating funds, however such sources of the financing of the purchase are rather limited for the Foreclosure Agent and not sufficient for further development of the business. That's why the Foreclosure Agent cooperates with Indemo, the Lender and the Issuer for attracting the funds of the Investors to Finance the Foreclosure, i.e., refinancing the previously obtained loans for the purchase of NPL.

The Foreclosure Agent purchases non-performing secured mortgage loans, where debtors are private individuals and legal entities. The average client distribution is 90% private individuals vs 10% legal entities. All loans are secured with a real estate (mainly residential apartments/private houses or commercial premises) pledge located in Spain.

On average, the default on interest and/or principal payments on the loans the company buys occurred 5 or more years ago. The median purchase price of one NPL is around EUR 150 000 (purchase price amounts could range between EUR 75 000 and EUR 500 000), while the average price discount compared to the total debt amount itself is 50-65%.

The loans to the private individuals were issued in accordance with the guidelines of consumer rights protection in Spain for determining creditworthiness taking into account official income, existing liabilities and credit history.

Private individuals are citizens or residents of Spain. Generally, they are middle-aged people (over 35 years old). The borrowers are usually middle-income employees, small business owners or self-employed persons with an average income. These borrowers are looking to buy a second residence. As the Foreclosure Agent acquires only NPLs, the borrowers most often are in some financial difficulties and are unable to meet their credit obligations. Legal entities are mainly small and medium-sized enterprises registered in Spain. As in the case of private individuals, SME owners face a certain downturn in their business, which results in a default on their loans.

The steps in the NPL purchase process include:

- (i) receiving the list of available NPL deals for purchase from the seller (bank or investment fund),
- (ii) criteria analysis and evaluation of each NPL, including analysis of debtor, geography, mortgaged property liquidity assessment, mortgaged property market value appraisal, assessment of the legal quality of the borrower's obligations, assessment of the lender quality, foreclosure status, availability and status of loan guarantors and mortgage, possibility of a out of the court settlement with the debtor, and other aspects,
- (iii) evaluation of offered NPL purchase price and parameters and ratios of debt, accrued interest, penalties, the market value of the collateral,
- (iv) investment decision making,
- (v) transaction, which includes signing purchase (assignment) documents with the seller, registration of assignment transaction documents with a notary, assignment and money documents submission to the land registry, payment of taxes, transfer of a mortgage to the Foreclosure Agent in the relevant land register in Spain.

When the Foreclosure Agent purchases a loan, its priority implementation scenario is to reach an out of the court settlement agreement with the debtor (i.e. the debtor voluntarily repays his obligations). If out of the court settlement agreement cannot be reached, the Foreclosure Agent executes the deal by selling the collateral at a foreclosure auction and settling the debt or by taking over the mortgaged real estate and then selling it on the market or sells the debt on the later recovery stages with a premium. The Foreclosure Agent engages a qualified and regulated professional Servicer to service, administer and enforce the NPL execution process efficiently. The practical implementation of the Foreclosure is delegated to the Servicer as outsourced service provider. The Servicer's main tasks are to service, administer and enforce the Underlying Mortgage Debt and respective collateral. The priority scenario of the administration of NPL is to reach a out-of-the-court settlement agreement with the debtor when the debtor voluntarily repays its obligations.

## **FORECLOSURE STAGES**

If an out-of-the-court settlement agreement cannot be reached, the Foreclosure Agent starts the debt recovery process, which may include all or some specific steps listed below:

- (1) Preparing for the trial. Most often, a court case has already been initiated by a previous creditor (bank or investment fund). The Foreclosure Agent has two options: (a) the Foreclosure Agent substitutes the assignor (initial creditor) as plaintiff, (b) if the court case has not been opened yet, the Foreclosure Agent prepares and files a claim with the court.
- (2) Legal proceedings. After the submission of the claim and its admission by the court, the court notifies the defendant (the debtor). Possible options for further legal proceeding development are: (a) the defendant does not respond, and the Foreclosure Agent receives a final court decision, (b) the defendant objects to the claim. Then the court considers the issue on its merits.
- (3) Appeal. In some cases, the defendant files an appeal. The court may uphold or reject the appeal.
- (4) Judicial auction. The process of selling the mortgaged object on the auction occurs after the entry into force of a court decision.
- (5) If the judicial auction takes place without any success, the Foreclosure Agent takes ownership of the mortgaged object, sells it on the market, and sale proceeds are used to cover the indebtedness arising from the Underlying Mortgage Debt. In some cases, the Foreclosure Agent applies to court to carry out the procedure of entering in Underlying Property's possession. In the majority of cases, the Foreclosure Agent purchases NPLs secured by second residences, to avoid this procedure.

## **FINANCIAL INFORMATION**

The latest available financial information on the Foreclosure Agent can be accessed using the respective hyperlinks below:

[Financial Report 2023 \(with English translation attached\)](#)

[Financial Report 2024 \(with English translation attached\)](#)

The financial statements of the Foreclosure Agent for subsequent years will be available at <https://www.indemo.eu/docs>. The Financial Report for 2025 shall be published not later than at the end of July 2026.

The financial statements of the Foreclosure Agent for 2023 and 2024 were not audited according to the Spanish law, as per Law 22/2015, of 20 July, on the Audit of Accounts and per Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act, Article 263 since in the respective period of time the Foreclosure Agent had not reached the business/operational thresholds set by the aforementioned legal enactments.

## **LITIGATION**

The Foreclosure Agent (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 Foreclosure Agent 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 Foreclosure Agent.

## **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

The management body of the Foreclosure Agent is the Management Board. The current appointed Member of the Management Board (sole administrator) is the senior financial services executive - Mr. Ilja Hagins. Mr.Hagins has over 15 years of experience in the financial sector. He previously served as Head of Wealth Management at JSC Rietumu Bank, where he was responsible for managing an asset portfolio of nearly 200 million euros. Since 2019, he has been actively operating in Spain in the field of mortgage lending and NPL management, taking a leading role in the issuance of more than 500 mortgage loans and in the acquisition and management of NPL portfolios with a total collateral value exceeding 250 million euros. Mr.Hagins is registered and authorised as a qualified professional in this area. Additionally, the Foreclosure Agent outsources to professional service providers, among others, administration of business processes, legal support, accounting, AML/CFT and GDPR compliance.

## **SHAREHOLDERS**

The sole beneficial owner of the Foreclosure Agent and legal owner (including indirect ownership of the share capital) is a private individual, citizen of the Republic of Latvia - Magameds Ismailovs.

## **8. Loan Receivables**

### **LEGAL NATURE, JURISDICTION AND THE APPLICABLE LAW OF THE LOAN**

The Loan is an investment loan issued by the Lender to the Foreclosure Agent under the Loan Agreement governed by the laws of Latvia.

Since the Loan is an investment loan, interest rate under this loan (referred in this Prospectus as “Performance-Linked Interest”) depends on the results of the Foreclosure Agent’s activities within the Foreclosure.

The purpose of the Loan is to finance the Foreclosure, i.e., the refinancing of the previously acquired Foreclosure Agent’s loans for the purchase of the Underlying Mortgage Debts.

**The Underlying Property is not evaluated for the issue of Notes; the valuations of the Underlying Property quoted in the Final Terms are as of the date provided in Final Terms.**

Annex to the Cooperation Agreement is the Investment Loan Agreement – the framework agreement which contains terms and provisions for

- (a) the issue of Loan under which the Lender undertakes commitment to issue a Loan at the maximal amount of Underlying Mortgage Debt Price, subject to a separate application of the Foreclosure Agent and certain conditions precedent.
- (b) the repayment of the Loan.

Each Loan under Investment Loan Facility agreement shall be issued on the basis of a separate Loan Application (accepted by the Lender) which will supplement the general terms of the Investment Loan Agreement. The Loan Application, amongst others, will stipulate the special terms and conditions of the Loan Agreement such as the amount of the Loan, issue date, repayment date and Performance-Linked Interest.

The Loan Agreement is in English language and does not require the form of a notarial deed.

## **REPAYMENT OF THE LOAN**

Under the Loan Agreement the Foreclosure Agent agrees to make payments to the Lender in accordance with the following conditions:

- the principal amount of the Loan shall be repaid not later than on the Loan Final Repayment Date set forth in the Final Terms for the respective Loan or as extended according to this Base Prospectus and Final Terms (if extended);
- the repayment of the principal amount of the Loan at the expense of the Foreclosure Return Proceeds shall be made not later than 10 Business Days after the receipt of the respective Foreclosure Return proceeds by the Foreclosure Agent;
- the payment of the Performance-Linked Interest under the Loan shall be made after the repayment of the principal amount of the Loan on the Loan Final Repayment Date.

The description of the Foreclosure Agent's business model, activities during the Foreclosure and the criteria for decision-making process on the choice of Foreclosure scenario (see section entitled '7. FORECLOSURE AGENT' and subsection 'ABOUT THE FLOW OF FUNDS FOR REPAYMENT' in section entitled '2. GENERAL DESCRIPTION') explains Foreclosure Agent's potential to repay the Loan.

The Foreclosure Return after the compensation of Foreclosure-related costs in accordance with the Cooperation agreement and discharge of the principal amount of the Loan are shared between the Lender as a Performance-linked interest and the Foreclosure Agent as earnings for Foreclosure works accomplished. This is a common cooperation model between professional servicers and investors who invest in distressed assets and which exists on the debts' secondary market for years.

## **9. Indemo**

### **GENERAL**

Indemo is an investment company incorporated as a limited liability company and registered in the Commercial Register of the Enterprise Register of the Republic of Latvia on 20 May 2022 under the name Indemo SIA with registration number: 40203401432. It operates under the laws of the Republic of Latvia and has its registered office at Skanstes iela 50, Riga, LV-1013, Latvia. The Legal Entity Identifier (LEI) of Indemo is: 648808P5G964RO0OQS12.

The registered share capital of Indemo is EUR 267317 consisting of 267317 shares each having a nominal value of EUR 1. Each share is entitled to one vote.

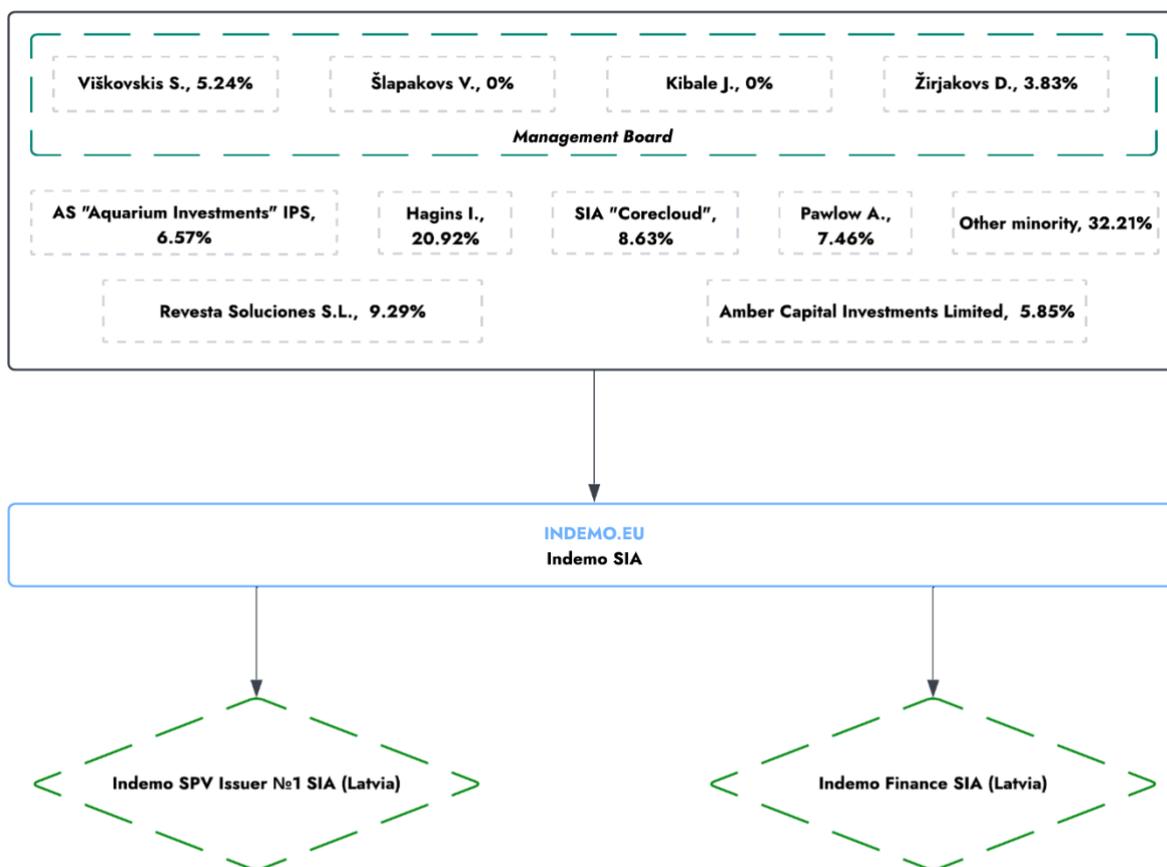
Indemo as an investment company is authorised and supervised by Latvijas Banka (Licence No. [06.06.08.824/547](#)).

Indemo according to its licence is authorized to provide the following investment services and ancillary services:

- execution of orders on behalf of clients;
- portfolio management;

- investment advice;
- placing of financial instruments without a firm commitment basis;
- holding of financial instruments;
- providing investment research, financial analysis or other general advice regarding transactions in financial instruments; and
- provision of services related to the initial placement of financial instruments.

Indemo operates the Platform accessible online, where investors can invest in investment opportunities issued in the form of asset-backed securities, e.g. Notes.



Indemo is managed by the Management Board

<b>Title</b>	<b>Name, Surname</b>	<b>Other roles</b>
Chairman of the Management Board	Sergejs Viskovskis	Chairman of the Management Board of the Issuer and Lender.
Member of the Management Board	Vladimirs Slapakovs	Member of the Management Board of the Issuer and Lender
Member of the Management Board	Daniels Zirjakovs	Member of the Management Board of the Issuer and Lender
Member of the Management Board	Jelena Kibale	Member of the Management Board of the Issuer and Lender.

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, the up-to-date articles of association (Statutes) of Indemo can be accessed on <https://back-blog.indemo.eu/download/7> and the up-to-date information on the Board Members of Indemo can be accessed at <https://www.indemo.eu/Imprint>

## **FINANCIAL INFORMATION**

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU.

The auditors of Indemo appointed for the financial year 2023 and 2024 are SIA “Crowe DNW”, registration number: 40103171002, licence No. 157, registered address Bauskas iela 58 – 1, Riga, Latvia.

Indemo financial data

[Extract from Financial Report 2023](#)

[Independent Auditor Report 2023 \(Translation into English\)](#)

[Extract from Financial Report 2024](#)

[Independent Auditor Report 2024](#)

The financial statements of Indemo for subsequent years will be available at <https://www.indemo.eu/financial-reports>. The financial report for 2025 shall be prepared by 30 April 2026.

## **ACTIVITIES PERFORMED**

Indemo takes the following role regarding the issue of the Notes and their offer to the Investors and subsequent Notes issues maintenance:

- Owns and operates the technical infrastructure through which: i. the Loan Receivables transfer transactions are being arranged; ii. the Issuer offers, issues and sells Notes to the Noteholders; iii. information exchange and money flows occur between Investors, the Issuer, the Lender and the Foreclosure Agent; iv. Information regarding the Loan and its updates is being provided to the Noteholders.
- Opens and services Investment Accounts being used for Notes purchase, custody and collection of payments.
- Acts as an assignment, placement, calculation, transfer and paying agent for the Notes including i. transfer of funds to the Issuer following placement of Notes, ii. settlement of payments due between the Issuer, the Lender and the Foreclosure Agent iii. payments to the Investment Accounts, iv. provides information regarding Investors to the Issuer to calculate any withholding taxes on payments and v. provides Noteholders with information on payment events.
- Maintains the register of Noteholders.
- Performs monitoring the Foreclosure Agent’s compliance with obligations undertaken according to the Transaction Documents (including reports on Foreclosure activities);
- In accordance with the Cooperation Agreement and the terms of this Base Prospectus acts on behalf of the Lender or the Issuer in certain cases.

## **SIGNIFICANT OR MATERIAL CHANGE AND/OR LITIGATION**

At the date of this Base Prospectus, there has been no significant or material change in the financial position of Indemo since the date of its last published annual financial statement.

Indemo (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 Indemo 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 Indemo.

## 10. 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*.

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 the 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 at the time being and as amended, supplemented or substituted.

The use of the word “including” means including without limitation.

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.

### DEFINITIONS

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

**Actual Aggregate Subscription Amount:** the actual total amount of the funds received from the Noteholders as the result of one Series’ issue.

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

**Anticipated Financing Proportion:** proportion between Aggregate Nominal Amount and the total purchase price of the whole Underlying Mortgage Debt paid by the Foreclosure Agent as assignee.

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

**Backup Servicer:** the legal entity (if any) engaged by the Lender or the Issuer to service and administer the Underlying Mortgage Debt by substituting the Foreclosure Agent.

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

**Borrower:** the debtor of the Loan Agreement, i.e., Foreclosure Agent.

**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 Lender, the Foreclosure Agent and Indemo in relation to the Notes, Loan Receivables and Foreclosure.

**Debtor:** the debtor of an Underlying Mortgage Loan.

**Final Terms:** the final terms of the Notes in the form set out in section 12 of this Base Prospectus.

**Financing Foreclosure:** refinancing of the loans previously taken by the Foreclosure Agent for the purchase of the Underlying Mortgage Debt, up to a maximum amount equal to the Underlying Mortgage Debt Price.

**Financing Proportion:** proportion between the part of Underlying Mortgage Debt Price which is refinanced by the proceeds of the Loan and the total purchase price of the whole Underlying Mortgage Debt paid by the Foreclosure Agent as assignee.

**Foreclosure:** set of activities and procedures aimed at the recovery (working out) of Underlying Mortgage Debt and enforcement of the collateral, inter alia, actions and procedures with regards to the management and sale of the Underlying Property.

**Foreclosure Agent:** AVEINE INVEST S.L. , incorporated as a private limited company and registered in the Kingdom of Spain with registration number B01936145 on 16 September 2020, having registered office at: Av Diagonal Num.594 P.6 PTA.1 Barcelona, 08021, Spain. Registered with the Bank of Spain as a real estate lender (*Prestamista inmobiliario*) under the code D465 on 26 May 2021.

**Indemo:** Indemo SIA, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203401432 on 20 May 2022, having registered address Skanstes iela 50, Riga, LV-1013, Latvia, an investment firm authorised by Latvijas Banka, which provides investment and related services to Investors through the Platform.

**Interest:** the amount which (a) corresponds to the amount of the Performance-Linked Interest received by the Issuer and which in the respective period applies to the Loan under the Loan Agreement as specified in the Final Terms and (b) distributed to the Noteholders on pro rata basis in accordance with these Terms and Conditions.

**Interest Payment Date:** the date of the payment of the Interest to the Noteholders which is Maturity date.

**Investment Accounts:** the financial instruments account, and the cash account of the Noteholder opened with Indemo.

**Issue Date:** the date on which the Notes are allocated and delivered to the Investment Accounts of the Noteholders.

**Issuer:** Indemo SPV Issuer No1 SIA, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203462441 on 15 February 2023, is a special purpose entity whose principal purpose is the issue of Notes.

**Issuer's Account:** the cash funds account of the Issuer opened by Indemo, which is used solely for settling payments with the Lender, the Foreclosure Agent and the Noteholders.

**Issue Minimum Amount:** monetary threshold expressed as a percentage from the Aggregate Nominal Amount specified in the Final Terms.

**Late Payment Interest:** the interest on any amounts due but not paid under any Series Specific Loan which is calculated at the rate specified in the Final Terms (if any).

**Lender:** Indemo Finance SIA, incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203665098 on 21 July 2025, is a special purpose entity whose principal purpose is the issue of the loans for Financing Foreclosure.

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

**Loan Agreement:** each loan agreement between the Lender and the Foreclosure Agent as the borrower for the purpose of Financing Foreclosure, as specified in the applicable Final Terms.

**Loan Receivables:** the receivables under the Series Specific Loan which have been assigned to the Issuer by the Lender.

**Loan Final Repayment Date:** the expected (estimated) final repayment date of the Loan as specified in the Final Terms.

**Loan Repayment Proceeds:** any payments received or collected by the Issuer under the Loan Agreement to the extent they relate to, or attributable to, the relevant Loan Receivables.

**Maturity Date:** the expected (estimated) maturity date of the Notes as specified in the Final Terms.

**Mortgage Loan Agreement:** a loan agreement between the initial creditor and the Debtor as borrower which was assigned to Foreclosure Agent as a new creditor (assignee).

**Net Foreclosure Return:** the amount of proceeds which (a) is actually received by the Foreclosure Agent as the result of the Foreclosure to the extent prorated in accordance with the Financing Proportion and (b) which remains after withholding of the applicable taxes (if any), compensation of Foreclosure-related expenses in accordance with the Cooperation Agreement and discharge of the principal of the Loan.

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

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

**Offer Price:** price of the subscription for one Note, as specified in the applicable Final Terms.

**Performance-Linked Interest:** interest payable under the Loan according to the terms of Loan Agreement, at the rate which is expressed as percentage of Net Foreclosure Return and specified in the Final Terms.

**Price to Debt (PTD):** ratio calculated by dividing (a) the Aggregate Nominal Amount by (b) the amount of the Underlying Mortgage Debt prorated in accordance with the Anticipated Financing Proportion, expressed as a percentage and specified in the Final Terms.

**Price to Value (PTV):** ratio calculated by dividing (a) the Aggregate Nominal Amount by (b) the sum of the appraised value of the Underlying Property prorated in accordance with the Anticipated Financing Proportion, expressed as a percentage and specified in the Final Terms.

**Purchase Price:** the amount of monetary consideration payable by the Issuer to the Lender for the Loan Receivable backing the Series under the Purchase Agreement.

**Principal Amount Outstanding:** the Actual Aggregate Subscription Amount multiplied by the Sink Factor.

**Priority of Payments:** the priority of payments is set out in Condition 7.

**Purchase Agreement:** part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the Lender of the Loan Receivables.

**Purchase Price:** the amount of the consideration payable for Loan Receivables by the Issuer to the Lender under the Purchase Agreement and Transfer Deed.

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

**Security Document:** a security instrument (as specified in the Final Terms) executed or to be executed to secure the obligations of the Foreclosure Agent towards the Issuer and/or the Lender and/or a security instrument executed or to be executed to secure the obligations of the Lender towards the Issuer.

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

**Series Specific Loan:** Loan agreement as specified in the applicable Final Terms.

**Sink Factor:** a fractional number between 0 to 1 (inclusive) as determined by the Issuer from time to time which reflects the Principal Amount Outstanding taking into account any partial redemptions of the Notes.

**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.

**Subscription period:** a period of time starting with a start date and ending with the end date, when potential Noteholders can apply for Notes' purchase by means of the Platform as specified in the Final Terms.

**Transaction Documents:** Cooperation Agreement, the Transfer Deed and the Security Document (if any).

**Transfer Deed:** the document signed by the Lender and the Issuer evidencing the transfer of Loan Receivables from the Lender to the Issuer in accordance with the Purchase Agreement.

**Underlying Mortgage Debt:** the total amount of the debt of the Debtor which includes the outstanding amount of Underlying Mortgaged Loan, accrued but unpaid interest, penalties, legal fees and expenses as attached to the debt.

**Underlying Mortgage Debt Price:** the purchase price of the Underlying Mortgage Debt (or of its relevant part) which has been paid by the Foreclosure Agent as assignee and which is refinanced by the proceeds of the Loan.

**Underlying Mortgage Loan:** loan which is issued to Debtor under Mortgaged Loan Agreement and secured by the Underlying Property.

**Underlying Property:** the real estate, securing as collateral the Underlying Mortgage Debt and attributable to the Foreclosure, as specified in the applicable Final Terms.

## 1. UNDERTAKINGS OF THE ISSUER

The undertakings in this Condition 1 remain in force for so long as any of the Notes are outstanding.

### 1.1 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.

### 1.2 Negative covenants

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

- (a) sell, transfer, create any security over or otherwise dispose of any of the Loan Receivables;
- (b) incur or permit to be outstanding any financial indebtedness;
- (c) be the creditor in respect of any loan or any form of a credit to any person, other than the Lender or as permitted under the Transaction Documents;
- (d) 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;
- (e) carry on any business other than as a special-purpose pass-through undertaking established to issue and offer Notes, which are backed by the Loan Receivables, to Investors on the Platform or to issue and offer other asset-backed securities on the Platform; or
- (f) use the Issuer's Account for any purpose other than as provided in these Terms and Conditions and the Transaction Documents.

These provisions are without prejudice to the Issuer's right to have transactions with other lending companies, being cooperation partners of Indemo, to approve prospectuses and issue loans and/or debts backed and contingent notes.

## **2. GENERAL**

- 2.1 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 at the Purchase Price and settle the payment of the Purchase Price in accordance with the Purchase Agreement. The Purchase Price equals the total amount of the Loan to be issued for Financing Foreclosure, hence the Loan Amount shall equal the Underlying Mortgage Debt Price and the Actual Aggregate Subscription Amount of the Notes. The issue of Notes on the Issue Date specified in the Final Terms will correspond to the Issuer obtaining title to the Loan Receivables at the amount equal to the Actual Aggregate Subscription Amount.
- 2.2 Subject to Condition 25, the Issuer will obtain the title to the Loan Receivables on the condition that Indemo has determined that it has all the data it requires in relation to the Loan Receivables in accordance with the Purchase Agreement and the Transfer Deed. The condition in no case implies either the Issuer or Indemo has any obligation to examine, verify or assess such data, including through any documentary evidence.
- 2.3 In each case where amounts of principal, Interest 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 and additional amounts (if any) actually received by the Issuer in relation to the Series Specific Loan.
- 2.4 Neither the Issuer nor Indemo is liable to make any payments in respect of the Notes other than as expressly provided in these Terms and Conditions.
- 2.5 Save for any fees payable to/from the Foreclosure Agent and Indemo and the Backup Servicer (if any), 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.

## **3. STATUS**

- 3.1 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.
- 3.2 In the event of insolvency of the Issuer, obligations arising from Notes will be unsubordinated debt obligations of the Issuer with will rank pari passu with all other present and future direct, general, unsubordinated and limited recourse obligations of the Issuer arising from the present and further asset-backed securities issues.
- 3.3 Notes vest the Noteholders' right for the return in the form of principal repayments and Interest, which are contingent and dependent on the performance of the underlying Loan Receivables subject to Condition 7 – 12.
- 3.4 No proprietary or other direct interest in the Issuer's rights under or in respect of any of the Transaction Documents, the Purchase Agreement, the Transfer Deed, the Loan Receivables, the Underlying property and the Underlying Mortgage Debt exists for the benefit of the Noteholders. Subject to these Terms and Conditions, no Noteholder will and will have any right to enforce any of the Transaction Documents, the Loan Receivables, any right to the Underlying Property or any direct recourse to any of the Lender, the Foreclosure Agent, Underlying Property.

## **4. FORM**

The Issuer issues the Notes in registered form, which are deposited and held as book-entry with Indemo.

## **5. ISSUE OF NOTES**

The Notes are issued on the Issue Date in the Actual Aggregate Subscription Amount, the Specified Denominations and the Specified Currency as specified in the Final Terms. If the Issue Minimum Amount is not reached by the end of the Subscription Period, subscribed amounts are released to the Investors by Indemo without any interest, and the Series is not issued. The Offer Price for the Notes may differ from the Nominal Issue Price (i.e. it may include premium or discount).

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

- 6.1 Indemo 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.
- 6.2 Each Noteholder will (except as otherwise required by law) be treated as the absolute owner of any relevant Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, nomineehip or any other interest in the Note), and no person will be liable for so treating the Noteholder.
- 6.3 The Notes are held and freely transferred only between the financial instrument accounts at Indemo of Noteholders. No application has been or will be made to trade the Notes on any regulated market or any other trading venue, other than the Platform.
- 6.4 A transfer of any Note between the Noteholders may be effected by Indemo which may require as conditions to the transfer of (a) provision of documents and information, (b) payment of any transfer fee and (c) payment of any tax or other governmental charges, in each case, by the relevant Noteholder in accordance with terms and conditions of the Platform.

## **7. PRIORITY OF PAYMENTS**

7.1. All funds received by the Issuer in relation to the Series Specific Loan (Loan Repayment Proceeds), to the extent legally permitted, will be applied by the Issuer in the following order of priority:

- (a) first, 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;
- (b) second, in payment or satisfaction of all fees and penalty fees then due and unpaid to the Issuer or Indemo by the Lender and Foreclosure Agent under the Cooperation Agreement;
- (c) third, 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;
- (d) fourth, in or towards payment or satisfaction of any costs, including legal fees, for any action to recover funds, collect or restructure payment obligations, or take any other actions to receive the Loan Receivables and/or overtake or enforce the security under the Security Document (including, if necessary and applicable, overtaking or enforcing the Foreclosure);
- (e) fifth, in or towards payment or discharge of all amounts which are due to the Backup Servicer, if any;
- (f) sixth, to the Noteholders in or towards the payment or discharge of all amounts of the principal then due and payable under or in respect of Series. A pro rata approach towards all impacted Series having exposure to the relevant Foreclosure through the Loan Receivable is being applied; and
- (g) seventh, to the Noteholders in or towards the payment of the Interest then due and payable under or in respect of Series. A pro rata approach towards all impacted Series having exposure to the relevant Foreclosure through the Loan Receivable is being applied. and
- (h) eighth, to the Noteholders in or towards the payment of Notes' pro-rata portion of the Late Payment Interest (if any). Such pro rata portion shall be applied towards all impacted Series.

7.2. When the payments, costs and liabilities referred to in Condition 7.1. (a) – (e) are Series-specific, such payments, costs and liabilities will be allocated to impacted Series of Notes proportionally, i.e., a pro rata approach towards all impacted Series having exposure to the relevant Foreclosure through the Loan Receivables is being applied. When the payments, costs and liabilities referred to in Condition 7.1. (a) –

(e) are not Series-specific, such payments, costs and liabilities will be allocated to all Series of Notes proportionally.

7.3. Neither the Issuer nor Indemo will be liable for applying the Priority of Payments, including for minor errors, pursuant to Condition 25.

## 8. PRINCIPAL REDEMPTION

### *Redemption at maturity*

8.1. The Maturity Date is based solely on the assumption of the Issuer when the full redemption of the Principal Amount Outstanding of the Notes can occur. The Series can be redeemed earlier or later than the Maturity Date, as provided in Conditions 8, 10 and 11.

### *Early redemption*

8.2. A proportion of the Principal Amount Outstanding of the Notes will be redeemed pro rata on the Redemption Date, i.e. not later than 10 Business days after Loan Repayment Proceeds under the Series Specific Loan are received by the Issuer without any prior notice to Noteholders. The Principal Amount Outstanding of the Notes redeemed will be in the same proportion that the principal payment received by the Issuer has to the total principal amount outstanding of the Loan immediately before the principal payment.

**Any repayment of the Principal Amount Outstanding will be made only in accordance with Conditions 7, 11 and 25, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Loan.**

## 9. INTEREST

9.1 The Interest is payable on any day the Issuer receives the Loan Repayment Proceeds, derived from the Performance Linked Interest, without any prior notice to Noteholders.

9.2 The application of the Interest is subject to the application of Condition 8, meaning that the Series principal is redeemed in full.

**Any payment of the Interest will be made only in accordance with Conditions 7, 11 and 25, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Loan.**

## 10. PRINCIPAL AND INTEREST PAYMENT DETERMINATION

10.1 Indemo determines (a) the amount of principal payable in accordance with Condition 8 for each Redemption Date and the Maturity Date and (b) the amount of the Interest (if any) payable in accordance with Condition 9 for each payment date, on its review of the following information:

- (i) the Payment Events which have arisen;
- (ii) Loan Repayment Proceeds amounts which have been received from the Foreclosure Agent;
- (iii) the amounts then due and owed by the Issuer according to the Priority of Payments on the Redemption Date, the Maturity Date or the Interest payment date.

10.2 On the Redemption Date, the Maturity Date and the Interest payment date, Indemo on the Issuer's behalf, will direct the payment of amounts to the Noteholders in accordance with Condition 11.

10.3 All determinations, calculations and adjustments made by Indemo 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. PAYMENTS

### 11.1 Payments of the principal, the Interest and Late Payment Interest

Subject to Conditions 7 and 12, the Issuer will, from any Available Distribution Amount:

- (a) redeem principal of the Notes in accordance with Condition 8 on each Redemption Date and the Maturity Date; and
- (b) pay the Interest on the Notes in accordance with Condition 9 on each Interest Payment Date;
- (c) pay the Late Payment Interest (if any).

### 11.2 Notes contingent payments

All payments of principal and Interest 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 in accordance with the Priority of Payments. The Notes will not give rise to the Issuer having any payment obligation in excess of the foregoing.

### 11.3 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 for the next sequent recurring 6 months' period up to the date that is the earlier of (a) the date on which all amounts due and payable under the Notes are paid or (b) the date referred to in Condition 11.4, 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. Interest will not accrue on the Notes for the respective postponement period.

### 11.4 After the Maturity Date

If on any date following the Maturity Date:

- (a) Indemo, the Lender and the Issuer determine in good faith that there is no realistic prospect of (i) the repayment of the Loan by the Foreclosure Agent since further course of the Foreclosure will not result in Foreclosure return and (ii) collecting any further funds under the Security Document; or
- (b) on the 10th anniversary of the Maturity Date,

as of that date, depending on which is earlier, (i) all the Notes outstanding will be cancelled in full, (ii) the Issuer will be deemed to have fulfilled all its payment and other obligations to each of the Noteholders and (iii) no Noteholder will have any right in respect of any of the Notes.

### 11.5 Payments to the Noteholders

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

### 11.6 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, assessments or governmental charges of whatever nature which may be required to be withheld or deducted.

The Issuer or Indemo will:

- (a) 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;

- (b) 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 as a 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
- (c) have the right but will not be obliged (unless required by law), to withhold or deduct from any amount payable or, as the case may be, 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 Indemo with all information and documentation required by the Issuer and/or Indemo, as the case may be, to satisfy any Latvian or other country tax or regulatory obligations at any time.

#### 11.7 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 payment on the due date which is not a Business Day.

#### 11.8. Yield calculation method used

To calculate the Yield assumptions on the following values are made:

1. a number of calendar days from Issue Date till Maturity Date,
2. Aggregate Nominal Amount,
3. Interest rate (in %),
4. Loan Repayment Proceeds.

The yield calculation formula is

$$\text{Yield} = [ (\text{Loan Repayment Proceeds} - \text{Aggregate Nominal Amount}) * \text{Interest rate} ] / \text{Aggregate Nominal Amount} / [ (\text{number of calendar days from Issue Date till Maturity Date}) / 365 ] .$$

The calculation of Yield is based on the assumption that there will be no prioritized payments under condition 7.1. (a) – (e).

#### 11.9. Loan extension

The Lender may modify the Loan Agreement with approval of the Issuer, provided that total amount of payments under Loan Receivables remain unchanged.

If ‘Extension possibility’ is provided in the Final Terms, the Lender may extend (change) the Final Repayment Date with the consent of the Issuer, but without the consent of the Noteholders provided that (a) there is no event of default under (a) any change is restricted by ‘Limit on the number of Extensions’ and ‘Total maximum time limit of Extensions’ as specified in the Final Terms and (b) any change is notified on the Platform to the Noteholders.

The Lender may also extend (change) the Final Repayment Date without the consent of the Issuer or the Noteholders to comply with any new law or regulation, amendment of any existing law or regulation, or any decision of any government or municipal provided that any change is notified on the Platform to the Noteholders.

## 12. LIMITED RECOURSE AND NON-PETITION

12.1 Notwithstanding anything the Base Prospectus, the obligations of the Issuer in respect of the Notes are limited recourse obligations which are payable solely from the Loan Repayment Proceeds actually received (and identified as such) in relation to the Series Specific Loan.

12.2 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 Loan, subject always to the Priority of Payments.

- 12.3 In relation to any sums received or recovered, the Issuer (or Indemo 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.
- 12.4 **To the extent that the sums referred to in Condition 12.1 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.**
- 12.5 Each Noteholder, on subscribing or buying any Note directly, through a automated investing solution of the Platform or any other way, irrevocably accept and acknowledge that it is fully aware that:
- (a) only the sums referred to in this Condition 12, and Conditions 7 and 11 will be available for any payments to be made by the Issuer in respect of the Notes;
  - (b) the sums which are attributable to another Series of Notes are only available in satisfaction of the obligations of the Issuer to such other Noteholders;
  - (c) 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, Indemo or their respective shareholders, directors, officers, employees, affiliates, successors or assigns in respect of the Notes for the shortfall;
  - (d) no Noteholder is entitled to proceed against the Issuer or Indemo for the shortfall;
  - (e) following the realisation and distribution of the net proceeds from the Loan Receivables 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 or Indemo to recover any further sum and the right to receive any such further sum will be deemed as fulfilled; and
  - (f) 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.
- 12.6 Non-payment of the shortfall referred to in this Condition 12 will not constitute an Event of Default.
- 12.7 None of the shareholders of the Issuer, Indemo, the Lender, the Foreclosure Agent or the Backup Servicer (if any) has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.
- 12.8 The provisions of this Condition 12 will survive redemption of the Notes.

### **13. PURCHASE**

- 13.1 The Issuer may at any time purchase Notes at any price in the open market or otherwise.
- 13.2 Any Note purchased by the Issuer at the sole discretion of the Issuer may be either cancelled or sold to any investor on behalf of the Issuer by Indemo.

### **14. CANCELLATION**

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

### **15. PRESCRIPTION**

Any and 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.

### **16. FURTHER ISSUES**

The Issuer can from time to time without the consent of the Noteholders create and issue further Series, including the ones which relate to the additional financing of the Foreclosure that relate to the same Underlying Property.

The right of the Issuer from time to time without the consent of the Noteholders to create and issue further Series includes also the Issuer's right to issue loans' and debts' backed and contingent notes according to the prospectuses and transaction documents for other lending companies being cooperation partners of Indemo.

## **17. EVENTS OF DEFAULT**

17.1 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, auditor, verifier), 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, proceedings or procedures specified in paragraphs (a) or (b) above, unless such proceedings or petitions are disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement.

17.2 The Issuer is obliged to inform Indemo immediately if any Event of Default should occur. Should Indemo not receive such information, Indemo is entitled to assume that no Event of Default exists or can be expected to occur, provided that Indemo does not have knowledge of any Event of Default. Indemo is under no obligation to make any investigations relating to any Event of Default. The Issuer will, at the request of Indemo, provide Indemo with details of any Event of Default and provide Indemo with all documents that may be of significance for the application of this Condition 17.

17.3 If Indemo has been notified by the Issuer or has otherwise determined that there is an Event of Default, Indemo will, within 20 Business Days of the day of notification or determination, notify the Noteholders according to Condition 20.

17.4 Upon the occurrence of an Event of Default, Notes are still subject to repayment according to the terms and conditions stipulated by this Base Prospectus and relevant Series Final Terms, unless otherwise required by a rule of the law.

17.5 Indemo, subject to the Noteholders indemnifying and holding Indemo 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. Indemo will, in each case, inform the Noteholders about the costs which should be compensated prior to requesting any indemnification. In any case, Indemo will charge this compensation of costs only up to the recovered amount. Indemo will not ask for compensation of costs for its in-house staff and resources.

17.6 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 Loan 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 shall not constitute an Event of Default.

## **18. MEETING OF NOTEHOLDERS**

18.1 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:

- (a) 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
- (b) by absentee voting (without the 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 Indemo.

## 18.2 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.

## 18.3 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 Condition 20 no later than 10 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 Indemo.

The Issuer may decide not to publish the Notice on the Platform. In such a case within the time specified in this Condition 18.3 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.

## 18.4 Quorum at a Noteholders Meeting

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

- (a) the aggregate Principal Amount Outstanding of all Series of Notes on the date of the Notice if the decision is related towards all Series of Notes outstanding; or

- (b) 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 meeting will be deemed to have participated in the 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 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:

- (a) the aggregate Principal Amount Outstanding of all Series of Notes on the date of the Notice if the decision is related towards all Series of Notes outstanding; or
- (b) 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.

#### 18.5 Voting ballots

Ballots for voting at a Noteholders Meeting will be sent together with the Notice according to Condition 18.3.

Ballots for voting will be in the English language.

Voting could be convened as an e-voting by filling-out an electronic voting ballot through the interface of 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 by the company 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:

- information about the Issuer, including address and contact person;
- details identifying the Series of Notes;
- form of the Noteholders Meeting (attendance or by absentee voting);
- date, place and time of the Noteholders Meeting if it is held in the form of attendance of the Noteholders;
- Principal Amount Outstanding; and
- 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 aforementioned requirement will be deemed invalid. However, if there are several items put to the vote on the voting ballot, a breach of the aforementioned 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 the 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.

#### 18.6 Counting

The counting functions will be performed by Indemo, 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.

### 19. SUBSTITUTION

19.1 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.

19.2 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 any and 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.

19.3 Any such substitution will be notified to Noteholders in accordance with Condition 20.

### 20. NOTICES AND PROVISION OF INFORMATION

20.1 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:

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

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

- (a) delivered by hand or courier and deemed to have been given/received on the same day of delivery; and
- (b) delivered by registered mail and deemed to have been given/received on the 10th calendar day following the date indicated on the stamp by the postal service provider on the acceptance of a registered letter.

20.3 For the purposes of Condition 20.2, notices or other communications addressed to the Issuer will be given to Indemo, serving as an agent for this purpose:

Indemo SIA  
Skanstes iela 50, Riga, LV-1013, Latvia  
For the attention of Indemo SPV Issuer No1 SIA

## **21. AGENTS**

- 21.1 The issuance of Notes described in this Base Prospectus does not provide for the right of the Noteholders to establish a representative body and/or authorize an organization/person to represent all or part of the interests of the Noteholders, however, such rights, if executed, are subject to the respective legal framework of the Republic of Latvia.
- 21.2 Indemo acts solely as an assignment, placement, calculation, transfer and paying agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Noteholder.
- 21.3 The Issuer subject to the provisions of the Transaction Documents, reserves the right at any time to vary or terminate the appointment of Indemo and any other party to any of the Transaction Documents.

## **22. FORCE MAJEURE**

Neither the Issuer nor Indemo 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 of 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 in order 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:

- (a) extraordinary and unavoidable circumstances including natural disasters, fire, flood, earthquake, warfare, terror acts, riots and strikes;
- (b) 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 Indemo could have prevented or predicted;
- (c) decisions and/or activities of local and/or foreign public authorities, and/or international organisations;
- (d) entry into force, amendments and/or suspension of a statutory act binding on either the Issuer or Indemo affecting the performance of obligations under these Terms and Conditions; and
- (e) any circumstance defined as a *force majeure* circumstance in any of the Transaction Documents.

## **23. GOVERNING LAW AND JURISDICTION**

- 23.1 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.
- 23.2 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 non-contractual 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 submit to the jurisdiction of such courts.

## **24. 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.

**25. LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE NOTEHOLDER**

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

- (a) any material error, misrepresentation, omission or fraud by the Lender or Foreclosure Agent;
- (b) failure of the Lender for whatever reason to inform the Issuer and/or Indemo of the Payment Event having occurred or for the information being inaccurate or wrong;
- (c) the Loan Receivables, Loan Repayment Proceeds' amount and collection times and prospects to redeem the outstanding principal and generate the Interest; or
- (d) 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 Lender or Foreclosure Agent.

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

25.3 Each Noteholder, on subscribing or buying any Note directly, through a automated investing solution of the Platform or any other way, irrevocably accept and acknowledge that it is fully aware that:

- (a) the Issuer and Indemo 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 Lender or the Foreclosure Agent of its obligations under the Cooperation Agreement, or the recoverability of any sum of the principal, the Interest, other return or any additional amounts due or to become due from any Series Specific Loan and/or the Lender;
- (b) the Issuer and Indemo do not make any representation or warranty in respect of, or will not at any time have any responsibility for the recoverability of any sum of the principal, the Performance Linked Interest, other return or any additional amounts due or to become due from the Underlying Mortgage Debt and/or the Foreclosure Agent and/or the Debtor;
- (c) the Issuer and Indemo 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 Loan, security (pledge, collateral) under the Security Document the Underlying Mortgaged Loan, the Underlying Property, the Lender, the Foreclosure Agent or any other person;
- (d) the Issuer and Indemo will not at any time be liable for any representation or warranty, or any act, default or omission by the Lender, the Foreclosure Agent or other person;
- (e) the Issuer will not at any time have any responsibility for, or liability or obligation in respect of, the performance and observance by Indemo of its obligations under the Transaction Documents or any other agreement entered or to be entered into by and between the Noteholders and Indemo;
- (f) Indemo will not at any time have any responsibility for, or liability or obligation in respect of, the performance and observance by the Issuer of its obligations under the Transaction Documents or any other agreement entered or to be entered into by and between the Noteholders and the Issuer;
- (g) financial servicing and performance of the terms of the Notes depend upon the repayment of the Loan by the Foreclosure Agent and receipt of the Loan Repayment Proceeds, which

consequently depend on the prospects and results of the Foreclosure return and performance by the Foreclosure Agent of its specific obligations under the Loan Agreement and Cooperation Agreement as well as Foreclosure Agent's respective credit and financial standing;

- (h) the Notes, which the Noteholder has or will acquire, reflect the prospects and results of the Loan collection and enforcement of the Security Document. The Noteholder has no direct recourse to any of the Loan 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 or Indemo 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;
- (i) for the avoidance of doubt, the Noteholder has no any recourse to any of the Underlying Mortgage Debt, Underlying Property or return of the Foreclosure;
- (j) the Investment Accounts will be opened and be held by the Noteholder fully operational with Indemo while the Noteholder holds any Notes.

## 11. Taxation

*The information provided in this section will not be treated as legal or tax advice; 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. It 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 also apply retroactively.

Latvia has entered into a number of tax conventions on the 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 also be examined. The procedures for applying 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**

The 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 a resident of Latvia for taxation purposes if at least one of the following requirements is met:

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

In accordance with Latvian tax laws, personal income tax at the rate of 25.5% will be withheld by the interest income payer 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.

Income treated as a capital gain according to Latvian tax law is subject to tax at the rate of 25,5%. The tax shall be calculated, declared and paid to the Latvian state budget by the income recipient - the individual itself.

##### *Non-resident individuals*

An individual would be considered as a non-resident of Latvia for taxation purposes in all cases unless he/she is a tax resident of Latvia. Interest payments or income similar to interest paid to non-resident individuals are subject to personal income tax of 5% if paid to qualified EU/EEA tax residents individuals\* or 25,5% in other cases. The tax shall be withheld by the income payer before income is paid to the non-resident individual.

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 applicable tax rate might be also reduced based on the Double Tax Treaty between Latvia and the respective country. The list of the Double Tax Treaties concluded by Latvia is available here:

<https://www.fm.gov.lv/lv/nodoklu-konvencijas>

\*Criteria is set by the Latvian Personal Income Tax Law.

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

### *Resident legal entities*

A legal entity would be considered a resident of Latvia for tax purposes if it is established pursuant to Latvian law. Interest income, income similar to interest, and capital gain received by the Latvian resident legal entities will not be subject to withholding tax in Latvia. Resident legal entities will be liable for the taxation itself. However, under the Latvian tax law retained earnings are exempt from corporate income tax, while profit distributions are taxed. Distributed gross profits are subject to the 20% profit tax. Corporate income tax on the net amount of profit distribution is determined by dividing the net amount with a coefficient of 0.8 (i.e., the effective tax rate on net distributed profit is 25%).

### *Non-resident legal entities*

A legal entity would be considered as a non-resident of Latvia for taxation purposes in all cases unless it is a tax resident of Latvia. Interest income, income similar to interest, or capital gain received by a non-resident legal entity 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 from all payments made to a legal entity located, registered or incorporated in a no-tax or low-tax country).

At the date of the Base Prospectus the list of “tax havens” according to Latvian law includes Anguilla, 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, the Russian Federation. The list of mentioned countries and territories may be amended from time to time.

## 12. Applicable Final Terms

The form of Final Terms that will be issued in respect of each Series, subject only to the deletion of non-applicable 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.indemo.eu](http://www.indemo.eu).

Final Terms dated [●] [●] 202 [●]

### Indemo SPV Issuer No1 SIA (the "Issuer")

(Incorporated as a limited liability company and registered in the Republic of Latvia with registration number: 40203462441 and LEI: 6488R109SEO6R317YK44)

### Series [●] EUR [●] Notes

relating to the Series Specific Loan with the reference numbers: [●]

Terms used herein will be deemed to be as defined in the Base Prospectus dated 13 February 2026 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 on the basis of 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.indemo.eu/docs/](http://www.indemo.eu/docs/). 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, loses its validity on [●] 202 [●]2027 or by the publication of a new base prospectus for the Notes in the Programme relating to the Lender immediately succeeding this Base Prospectus (the "New Base Prospectus") depending on which event occurs earlier (the "Expiry Date of the Base Prospectus"). Notwithstanding the above, the Notes specified in these Final Terms\* shall continue to be subject to the terms and conditions of the Base Prospectus. From the Expiry Date of the Base Prospectus, these Final Terms must be read in conjunction with the New Base Prospectus. The New Base Prospectus will be available (no later than the Expiry Date of the Base Prospectus) on the website [www.indemo.eu/docs/](http://www.indemo.eu/docs/).

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

### 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:	EUR (euro)
1.1.4.	Aggregate Nominal Amount:	EUR [●].[●]
1.1.5.	Specified Denominations:	The Series Aggregate Nominal Amount is divided into [●] Notes. The nominal amount of the Note is EUR [●].[●]

1.1.6.	Issue Price:	[●]% of the Notes nominal amount
1.1.7.	Offer Price of one Note:	EUR [●].[●]
1.1.8.	Subscription Period:	[●] [●], 202[●] – [●] [●], 202[●] (inclusive)
1.1.9.	Issue Minimum Amount:	[●]% of Aggregate Nominal Amount
1.1.10.	Issue Date:	[●] [●], 202[●]
1.1.11.	Maturity Date:	[●] [●], 20[●], but not earlier than Loan Final Repayment Date
1.1.12.	Interest Rate:	equal to Performance-Linked Interest under the Loan
1.1.13.	Redemption Date	[...] Business days after the receipt of the Loan Repayment Proceeds
1.1.14.	Indication of Yield:	[●]% per annum

## 1.2. Information relating to the Series Specific Loan

Number	Disclosure requirement	Details
1.2.1.	Loan Agreement	Loan Agreement No. ___ between the Lender and the Borrower
1.2.2.	Loan Agreement Date	
1.2.3.	Loan disbursement currency:	EUR (euro)
1.2.4.	Loan Maximum Amount:	EUR [●]
1.2.5.	Performance-Linked Interest	[●]% of the Net Foreclosure Return
1.2.6.	Late Payment Interest	[●]%
1.2.7.	Loan Final Repayment Date	[●] [●] 202 [●]
1.2.8.	Performance-Linked Interest Payment Date	Loan Final Repayment Date
1.2.9.	Extension possibility	[...]
1.2.10.	Limit on the number of Extensions	[...]
1.2.11.	Security Document	

## 2. Additional provisions and information relating to the Underlying Property and Foreclosure

2.1.	Underlying Property ID:	[●]
2.2.	Underlying Property (subject to GDPR)  Type Characteristics Location	
2.3.	Underlying Property Value	EUR [●]
2.4.	Appraiser and valuation date:	[...] [●] [●], 20[●]
2.5.	Underlying Mortgage Debt amount (total)	EUR [●]
2.6.	Underlying Mortgage Debt Price (total)	EUR [●]
2.7.	Anticipated Financing Proportion	[●] % of the Underlying Mortgage Debt Price (total)
2.8.	Price to Value (PTV) (%):	[●]%
2.9.	Price to Debt (PTD) (%):	[●]%
2.10.	Debtor' s details (type, gender, age):	[●]

### Part 2 - Responsibility and authorisation

The Management Board of the Issuer:

<b>Title</b>	<b>Name, Surname</b>
Chairman of the Management Board	Sergejs Viskovskis
Member of the Management Board	Vladimirs Slapakovs
Member of the Management Board	Daniels Zirjakovs
Member of the Management Board	Jelena Kibale

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 elements 2. of part 1 above has been sourced from the Foreclosure Agent. Hereby the Issuer confirms that this information has been accurately reproduced according to the process of information exchange, provided in the Transaction Documents and that as far as the Issuer is aware and is able to ascertain from information provided by the Foreclosure Agent, no facts have been omitted which would render the reproduced information inaccurate or misleading. For the aforesaid limitation of the Issuer's and Indemo liability provided in Subsection 25. "Limitation of a Liability and Representations and Warranties of the Noteholder" of Section 10 in the Base Prospectus applies.

This Notes Series issue is authorised by the Management Board Meeting of the Issuer, Minutes No. [●] as of [●] [●], 20[●].