

Asset Backed Securities of Signet Bank subsidiary Primero SV1



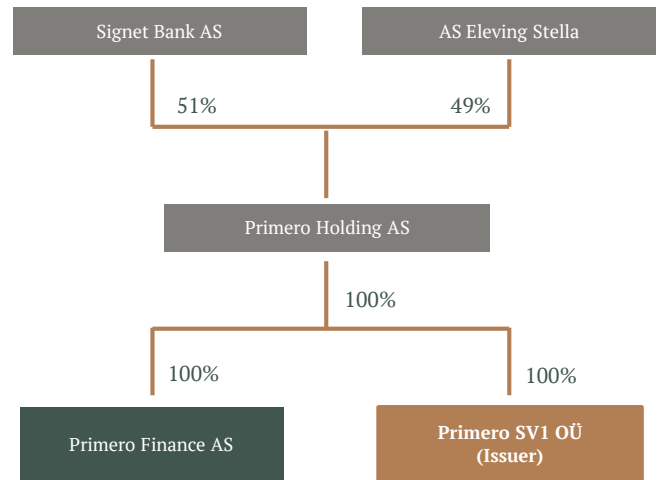
About Primero

- Launched in 2019, Primero Finance is a secured used car financing company that focuses on near-prime customer base and holds a license for provision of consumer credit services. The Group is based in Riga, Latvia.
- Primero offers its clients consumer loans for car purchases, car leasing and loans secured by cars with a term up to 7 years and amounts up to EUR 25 000. Primero had a net portfolio of EUR 22m at the end of Q1 2022.
- Primero works both in online and offline environment, as the Group has more than 200 partners, including not only used car dealers but also official new vehicle dealerships.
- Primero's majority shareholder (51%) is Signet Bank AS, while minority is owned by AS Eleving Stella (49%), providing Primero with access to funding from the Bank and sector know-how and business infrastructure from Eleving Group.
- Primero mainly operates in Latvia, but is planning to expand its operations also in Estonia and Lithuania.
- Historically, the Group's operations have been financed exclusively by loans from Signet Bank. However, to support further growth plans of Primero Group, additional financing will be attracted from investors in the form of asset backed securities.

Transaction Overview

- Primero SV1 OÜ (the Issuer) is a special purpose entity registered in the Republic of Estonia with the sole purpose of issuing the notes, backed by the portfolio of lease and leaseback agreements.
- The Issuer shall use the proceeds from the notes issue to finance the purchase of portfolio from Primero Finance. **Total portfolio acquisition cost if EUR 9.4 million.**
- The Notes will have 2 tranches: Senior Tranche and Junior Tranche (9% of total) that shall provide margin of safety for Senior Tranche noteholders, as any losses shall be first covered by Junior Tranche.
- Only those lease and leaseback agreements that meet certain **eligibility criteria** will be included in the transaction. Most importantly, the loans need to be secured by motor vehicles, the loans are performing receivables (no more than 30 days overdue), and their maturity date does not exceed seven years.
- Primero Finance will continue to service the portfolio according to its existing loan issuance and debt collection policies and procedures, based on servicing agreements between the Issuer and Primero Finance.
- Primero Finance as portfolio servicer shall collect all the payments from the debtors and transfer these to the Issuer, net of servicing costs. On quarterly basis, the Issuer **shall pay interest on the notes** and distribute any remaining amounts as **principal payment** to the noteholders of Senior Tranche Notes (as long as these are outstanding) and Junior Tranche Notes (only if Senior Tranche notes have been redeemed in full).
- During the lifetime of the notes, **Signet Bank shall hold at least 5%** of each Senior Tranche and Junior Tranche notes.
- The Notes will be issued within the framework of the Securitisation Regulation.

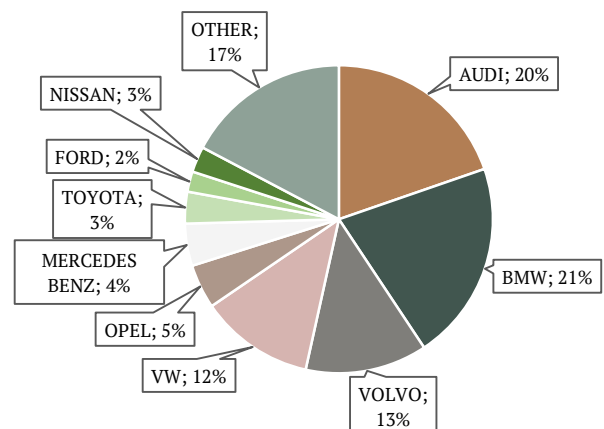
Primero Group structure



Key portfolio metrics

Number of agreements	2 290
Total principal due	EUR 8.9 million
Weighted average interest rate	23.8%
Weighted average residual life of agreements (years)	3.8
Type of debtor	Individuals (100%)
Interest type	Fixed
Amortization type	French amortisation
LTV	74.6%

Portfolio breakdown by vehicle make



Source: Primero Finance financial reports and management forecast

Asset Backed Securities of Signet Bank subsidiary Primero SV1



Primero securitisation programme

Issuer	Primero SV1 OÜ	
Security type	Asset backed securities	
Offer type	Private placement	
Collateral	Commercial pledge on the assets of the Issuer	
Total size: EUR 9.4 m		
Issue size	Senior tranche: EUR 8.6m	Junior tranche: EUR 0.9m
Interest rate	Senior tranche: 4.5%	Junior tranche: 13.5%
Eligible investors	Professional, Retail (portfolio management, investment advice)	Professional only
Payment frequency	Quarterly	
Maturity	7 years	
Maturity	Regular principal repayments on Senior Tranche notes, based on portfolio cash flows	
Early redemption	Clean-up Call option: if less than 10% of the initial portfolio remains outstanding	
Nominal value	EUR 1 000	
Minimum subscription	EUR 100 000	
Arranger	Signet Bank AS	
Collateral agent	ZAB Vilgerts SIA	

Notes overview

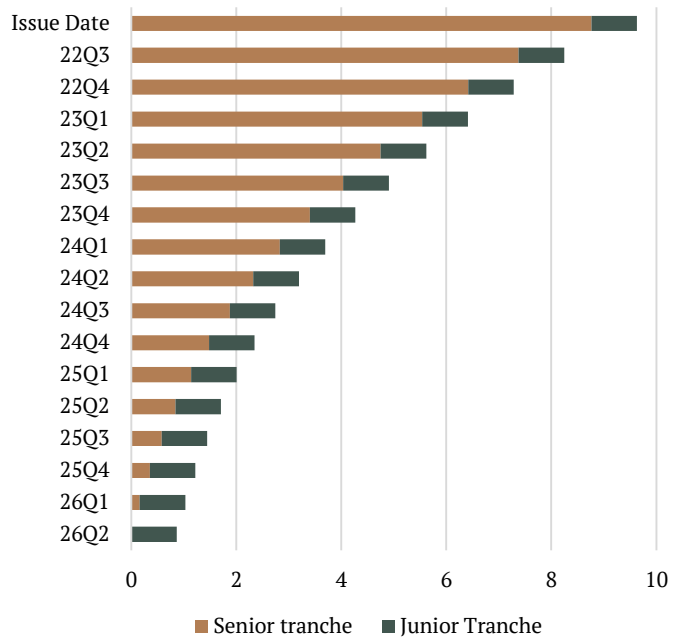
Weighted average maturity of the Notes¹

Senior tranche: 1.4 years
Junior tranche: 3.3 years

- The Senior tranche is expected to be fully amortized by Q1 2026;
- Junior tranche will receive principal repayments only when the Senior tranche is fully repaid (expected, starting from Q2 2026).

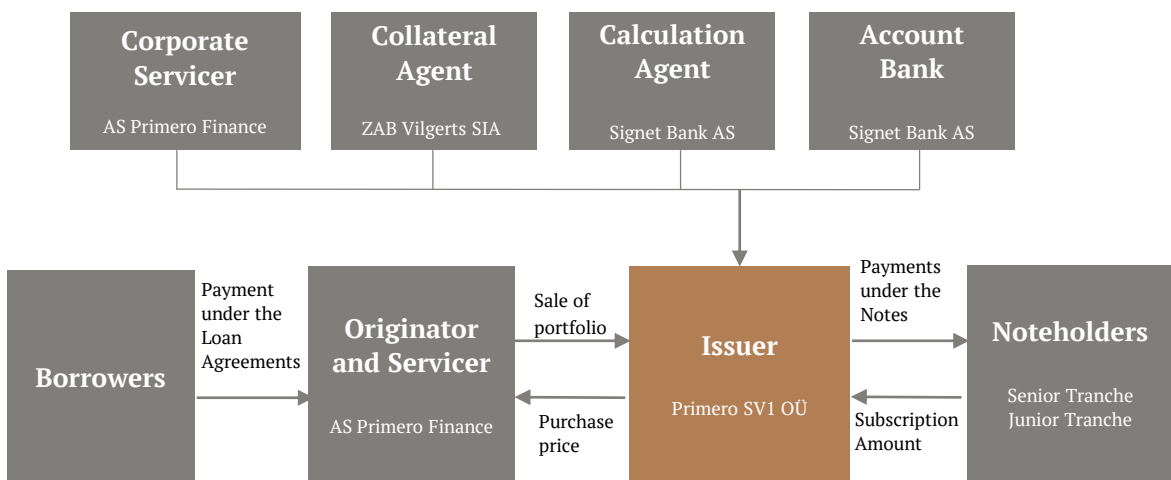
Notes repayment

Expected Outstanding Principal of the Notes, based on modeled portfolio cash flows, EUR m¹



¹Assuming the exercise of Clean-up Call option

Transaction structure



Source: Primero Finance financial reports and management forecast

This presentation (the Presentation) has been prepared by Signet Bank AS solely for use in connection with the contemplated offering of Primero SV1 OÜ (the Issuer) Asset backed securities (the Notes) and may not be reproduced or redistributed in whole or in part to any third party.

This Presentation is for information purposes only. The Notes have their own particular terms and conditions that should be considered before making an investment decision. A prospective investor should not make an investment decision relying solely upon this Presentation. By attending a meeting where this Presentation is presented or by reading the Presentation you agree to be bound by the following terms, conditions, and limitations.

No liability

The information in this Presentation is based on the data provided by Primero SV1 OÜ and has not been independently verified and can be subject to updating, completion, revision, and further amendment. The Signet Bank AS undertakes no obligation to update this Presentation or to correct any inaccuracies that may become apparent. The facts, information, opinions and estimates contained in this Presentation have been obtained from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, and reliability.

This Presentation contains forward-looking statements that are based on current expectations and assumptions of the Issuer and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by context, words such as “aims”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “assumes”, “seeks”, and similar expressions are intended to identify such forward-looking statements. Opinions and any other contents in this Presentation are provided for personal use and for tentative reference only.

No advice

This Presentation shall not be treated as legal, financial or tax advice of any kind. The investors shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue and investment into the Notes. Nothing in this Presentation shall be construed as giving of investment advice by the Signet Bank AS or any other person.

Each potential investor must determine the suitability of the investment in light of its own circumstances. In particular, you should have: (i) sufficient knowledge and experience, access to and knowledge of appropriate analytical tools to meaningfully evaluate and fully understand this investment opportunity alongside with its advantages and risks, as well as the impact of this investment on your overall investment portfolio; (ii) sufficient financial resources and liquidity to bear all of the risks associated with this investment. If you are in any doubt as to whether to invest in the Notes, you should consult a qualified independent adviser.

General restrictions and distribution

This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute violation of applicable securities laws of such countries. Investors are required to inform themselves of any such restrictions and return this Presentation to the Issuer should such restrictions exist. By accepting this Presentation, the recipient represents and warrants that it is a person to whom this presentation may be delivered or distributed without a violation of the laws of any relevant jurisdiction. This Presentation is not to be disclosed to any other person or used for any other purpose and any other person who receives this Presentation should not rely or act upon it.

Conflict of interest

Signet Bank AS may receive a fee from Primero SV1 OÜ.

By presenting this material the Signet Bank AS has a conflict of interest situation. The Signet Bank AS Policy for Prevention of Conflicts of Interest is available on the website: <https://www.signetbank.com/mifid/>.

The Issuer or its affiliates may, subject to applicable laws, purchase the Notes. It should be noted that under specific circumstances their interests may conflict with those of other noteholders.

Risk factors

When making an investment in Asset backed securities, investors undertake certain financial risks. The main risks that are related to the availability of funds to pay the Notes are reliance on the Issuer risk, limited resources of the Issuer risk, Junior tranche lower ranking risk, Notes repayment risk, unexpected expenses risk, credit risk on the Originator.

The main risks associated to the Receivables are yield to maturity, amortisation and weighted average maturity of the Notes risk of being influenced by a number of factors, performance of the Aggregate Portfolio risk, no independent investigation in relation to the Receivables risk, Issuer not having any title to the vehicles risk, payment default by the Debtors risk.

Other risks relating to the Notes and the structure are unsuitable investment risk, payment of interest on Junior tranche deferral risk, individual noteholder limited enforcement rights risk, resolutions of noteholders risk.

The counterparty risks include Issuer's dependence on the Servicer to meet its obligations, no back-up servicer risk, performance of other transaction parties risk, conflicts of interest risk, reliance on historical information to assess the future performance risk.

Macro-economic and geopolitical risks are geographic concentration risk, risks related to Covid-19 pandemic, geopolitical risks.

When investing funds in Asset backed securities, investors undertake the following risks related to the Notes: limited liquidity on the secondary market risk, failure of listing risk, unfavourable price development risk, early redemption risk, tax risk, risk that some noteholders might have more preferential terms than others.

The risks related to Security are risks associated with the Security Agent Agreement, enforcement of Security risk, dependence on the Security Agent risk, risk associated with Parallel Debt.

The legal and regulatory risks include no specific securitisation laws in Estonia and Latvia, risks associated with ruling of Higher Court of Latvia, unfavourable changes in tax treatment of the Issuer.

The risks indicated in this section may reduce Primero SV1 OÜ ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect Primero SV1 OÜ.