

SIA DN Funding Zeta BASE PROSPECTUS



05 June 2024

SIA DN Funding Zeta

registration number in Latvia: 40203526691
legal entity identifier (LEI): 894500NYE30AQD6XRP69

EUR 8,000,000 ABS PROGRAMME

Under the Programme, the Issuer may from time to time issue ABS (asset-backed securities) denominated in euro in accordance with the procedures set out in this Base Prospectus. The ABS will be distributed by way of a public offer via Debitum Investments.

The aggregate nominal amount of the ABS, the interest payable in respect of the ABS, the issue price of the ABS and any other applicable terms and conditions not contained in this Base Prospectus applicable to the ABS will be set out in the relevant Final Terms.

ABS will be issued in registered form. The maximum aggregate nominal amount of all ABS from time to time outstanding under the Programme will not exceed EUR 8,000,000 (eight million euro).

Each payment under the ABS will be dependent upon and limited to a pool of specific Borrower's Loans.

This Base Prospectus has been approved as a base prospectus by the Bank of Latvia (www.bank.lv/en/), as competent authority under the Prospectus Regulation. The Bank of Latvia 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 of the Loan Originator or the quality of the ABS that are the subject of this Base Prospectus or the Borrower's Loans. Investors should make their own assessment as to the appropriateness and suitability of investing in the ABS. This approval relates only to the ABS to be offered to the public in any Member State of the EEA.

This offer is being made only in Latvia under this Base Prospectus.

During the period of validity of this Base Prospectus the Issuer intends to request the Bank of Latvia to provide the competent authorities under the Prospectus Regulation in other member states of the Europe Union (including, but not limited to Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Lithuania, Netherlands, Poland, Portugal, Slovakia and Spain) with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. Upon receipt of such certificate, it will be permitted to make the public offer under this Base Prospectus in the relevant jurisdiction, and the Issuer will ensure that Debitum Investments provides information about it on the Platform (www.debitum.investments). Such certificate, if and when obtained, should not be considered as an endorsement of the Issuer or the Loan Originator or of the quality of the ABS.

This Base Prospectus will be valid for a period of up to 12 months after its approval by the Bank of Latvia. The Issuer will 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 relating to the information contained in this Base Prospectus which is capable to affect the assessment of any ABS, for use in connection with any subsequent issue of the ABS. 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 period of validity of this Base Prospectus.

The principal risk factors which may affect the Issuer's ability to perform its obligations under the ABS are described in the Section 2 'RISK FACTORS'.

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

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GLOSSARY

ABS	an asset-backed security issued or to be issued by the Issuer under this Programme
ABS Holder	a holder for the time being of any ABS
Backup Servicer	the legal entity (if any) engaged by the Issuer to service and administer the Borrower's Loans
Bank of Latvia	Latvijas Banka, a competent authority in the Republic of Latvia under the Prospectus Regulation (www.bank.lv/en/)
Base Prospectus	this base prospectus of the Issuer, including any documents attached hereto or incorporated herein by reference, as it may be amended, updated and supplemented from time to time.
Borrower	a third party (debtor) with whom the Loan Originator has concluded the Borrower's Financing Agreement and to whom the Loan Originator has issued the Borrower's Loan
Borrower's Financing Agreement	the financing agreement between the Loan Originator and the Borrower, as set out in the applicable Final Terms, under which the Borrower's Loan exists
Borrower's Loan	principal amount owed by the Borrower to the Loan Originator under the Borrower's Financing Agreement
Buyback Obligation	has the meaning set out in the Section 4.1.5 'The Buyback Obligation'
Claim Portfolio Assignment Agreement	part of the Cooperation Agreement relating to the purchase (acquiring) by the Issuer and sale (assignment) by the Loan Originator of the Borrower Loans
Cooperation Agreement	the cooperation agreement between the Issuer, the Loan Originator and Debitum Investments in relation to the ABS, and in relation to the asset-backed securities issued under other programmes (if any).
Debitum Investments	SIA DN Operator, a limited liability company (in the Latvian: <i>sabiedrība ar ierobežotu atbildību</i>) registered under the registration number 42103092209 in the Commercial Registry of Latvia (in the Latvian: <i>Komercreģistrs</i>) on 9 April 2019, an investment firm (in the Latvian: <i>ieguldījumu brokeru sabiedrība</i>) licensed by the Bank of Latvia, which provides investment and related services to the Investors through the Platform
Final Terms	any duly completed final terms in the form set out in the Section 11 'APPLICABLE FINAL TERMS'
Investment Account	the Investor's separate account with Debitum Investments
Investor	a person registered on the Platform and accepted by Debitum Investments as an investor
Issuer	SIA DN Funding Zeta, a limited liability company (in the Latvian: <i>sabiedrība ar ierobežotu atbildību</i>) registered under the registration number 40203526691 in the Commercial Registry of Latvia (in the Latvian: <i>Komercreģistrs</i>) on 7 December 2023, a special purpose entity whose principal purpose is the issue of the asset-backed securities
Loan Originator	SIA SANDBOX FUNDING, a limited liability company (in the Latvian: <i>sabiedrība ar ierobežotu atbildību</i>) registered under the registration number 40203473712 in the Commercial Registry of Latvia (in the Latvian: <i>Komercreģistrs</i>) on 30 March 2023, legal entity identifier:

	894500FHOFZYE75TV978, registered address: Ūnijas iela 8 k-7, Riga LV-1084, Latvia
Loan Receivables	the receivables under the Borrower's Financing Agreement in respect of 90% of the Borrower's Loan which are assigned and to the extent that are assigned by the Loan Originator to the Issuer under the Claim Portfolio Assignment Agreement
Platform	the sites created and managed by Debitum Investments, under the domain name www.debitum.investments , which allows their users to use the services provided by Debitum Investments
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and includes any commission delegated regulation under the Prospectus Regulation
Programme	this EUR 8,000,000 (eight million euro) ABS programme of the Issuer
Securities Act	the United States Securities Act of 1933, as amended
Series	a series of the ABS
Transaction Documents	the Cooperation Agreement and the Claim Portfolio Assignment Agreements

1. GENERAL DESCRIPTION

1.1. What is Debitum Investments?

Debitum Investments has launched a global peer-to-peer online platform (marketplace) for investing in business loans from 2019. Starting from February 2022, investments in business loans were started being offered in a form of financial instruments called asset-backed securities.

The Platform, owned and operated by Debitum Investments, offers investors a convenient way to invest in business loans by purchasing asset-backed securities and notes. Debitum Investments is working to add other types of financial instruments to the platform in the coming years.

At the end of March 2024, Debitum Investments had over 13,000 registered users and over EUR 14,200,000 in assets under management.

Debitum Investments is an investment firm (in the Latvian: *ieguldījumu brokeru sabiedrība*) licensed by the Bank of Latvia (licence number 06.06.08.728/537, issuance date 21 September 2021). See the Section 6 'DEBITUM INVESTMENTS' for more information.

1.2. What are the ABS (asset-backed securities)?

The ABS are the financial instruments issued by the Issuer via Debitum Investments to the Investors, which allows the Investors to invest in the Borrower's Loans issued by the Loan Originator to the Borrowers.

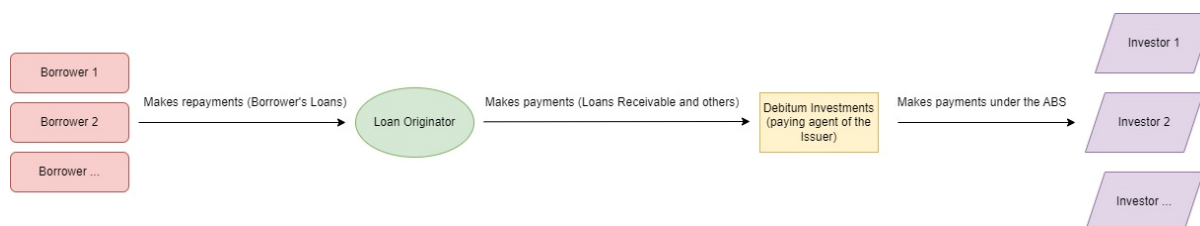
The Issuer is a special purpose legal entity established for the purposes of:

- i. purchasing the Loan Receivables from the Loan Originator in accordance with the Claim Portfolio Assignment Agreements;
- ii. pooling acquired Loan Receivables for a particular Series of the ABS; and
- iii. issuing those ABS to Investors via Debitum Investments.

See the Section 5 'ISSUER' and Section 7 'THE LOAN ORIGINATOR' for more information.

1.3. The flow of funds for repayment

Each time a Borrower makes repayments to the Loan Originator, the Loan Originator transfers the funds to Debitum Investments as the paying agent of the Issuer, which in turn makes repayments under the relevant Series of the ABS to the relevant Investor via Platform. The repayments are received into the relevant Investment Account of the relevant Investor.



This means that if the Borrower makes:

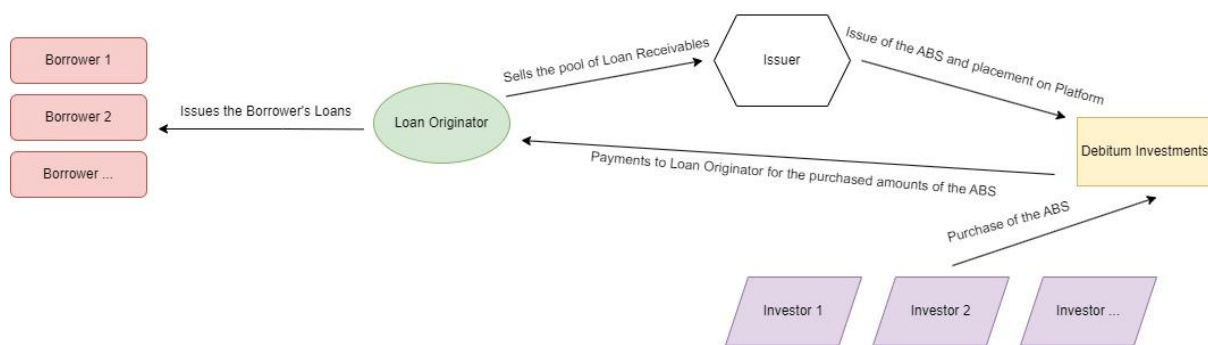
- i. the repayments to the Loan Originator later than scheduled, the repayments to the Investor (the ABS Holder) will also be correspondingly delayed; and
- ii. no repayments at all and the Loan Originator is not able to recover anything from the Borrower, no repayments will be received by the Investor (the ABS Holder).

The Loan Originator provides a Buyback Obligation for the Loan Receivables, which means that if the Borrower defaults on any repayment for more than 90 days, the Loan Originator is obliged to

repurchase the Loan Receivables, together with any interest, from the Issuer. In this situation, the Investor (the ABS Holder) will be exposed to the credit risk of the Loan Originator. See the Section 2.2.4 'Insolvency of the Loan Originator' for more information.

1.4. The flow of funds for investment

The Loan Originator issues the Borrower's Loans to the Borrowers and then sells (assigns) the corresponding Loan Receivables to the Issuer with the 'skin-in-the-game' (i.e. the Loan Receivables represent 90% of the Borrower's Loan and the remaining 10% of the Borrower's Loan remains with the Loan Originator itself). The Issuer issues a Series of the ABS corresponding to these Loan Receivables to Investors via Debitum Investments. When an Investor purchases any ABS of the Series, the Investment Accounts are immediately debited with the purchase price of the ABS and are credited with the ABS with the next day. The purchase price of the ABS is further transferred by Debitum Investments as the paying agent of the Issuer to the Loan Originator as an assignment fee in accordance with the Claim Portfolio Assignment Agreement.



2. RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the ABS. 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 for the purpose of assessing the market risks associated with the ABS 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 or the Loan Originator's business, financial condition, results of operations and prospects. The Issuer and/or the Loan Originator 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 in 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 ABS, but the inability of the Issuer or the Loan Originator to pay interest, principal or other amounts on or in connection with any ABS may occur for other reasons and the statements below regarding the risks of investing in any ABS 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 or the Loan Originator's business, financial condition, results of operations and prospects. Any investors should carefully review the entire Base Prospectus and the Final Terms and should form their own views before making an investment decision with respect to the ABS.

Before making an investment decision with respect to any ABS, 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 ABS and consider such an investment decision in the light of the relevant investor's personal circumstances.

2.1. Risks specific to the underlying assets (loans)

2.1.1. Payment obligations under the Borrower's Financing Agreements may not be met on the agreed terms

The ABS are linked to the pool of underlying Loan Receivables, which means that if any of the Borrowers under the Borrower's Financing Agreement do not make a payment on time, then the ABS Holder will also not receive a payment on time. For example, if a Borrower makes a repayment a 15 days later than the agreed schedule, the ABS Holder will also receive the repayment a 15 days later. Furthermore, if a Borrower makes no repayment at all and the Loan Originator is not able to recover anything from the Borrower, the ABS Holder will also not receive any further repayments unless the Borrower's Loan is sold back to the Loan Originator under the Buyback Obligation.

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

The ABS is offered with the Buyback Obligation. It means that the Loan Originator is obligated to repurchase the Loan Receivables if the Borrower has failed to pay more than 90 days after the scheduled repayment date. While this feature could reduce the potential loss for the ABS Holder due to the Borrower failing to make repayments, the Buyback Obligation is only as strong as the company providing this obligation. If the Loan Originator fails to honour its obligation, the ABS Holder is still

exposed to the risk of the underlying Borrower not making repayments. While the probability of any Borrower missing repayments or defaulting depends on many factors, such as payment amount, the income of the Borrower, and repayment term, it is important to point out that these probabilities are never zero. Due to this, **the ABS are only suitable investments for Investors who have the appropriate knowledge and experience and are in a financial situation that allows them to lose part or even all of the money invested in the ABS.**

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

- i. the Borrower overestimates its ability to repay - each Borrower should evaluate its current and future financial position itself and assess its ability to repay. For various reasons, the Borrower could overestimate its future cash flows and borrow more than it will be able to repay;
- ii. limitations of initial risk scoring - the Loan Originator has developed its own method for scoring customer credit risk that relies on various information, which can be collected also from other parties than the Loan Originator (e.g., credit rating agencies). There is a risk that the information could be wrong or outdated, or that the scoring method is not sufficient;
- iii. unexpected events - reasons why the Borrower could miss a repayment, include decreases of business volumes, a delay in receiving expected income (profit), unexpected costs, or even compulsory liquidation of the Borrower;
- iv. macroeconomic factors - the credit risk scoring of the Loan Originator makes assumptions about the Borrower's ability to repay during normal economic conditions. A sudden change in macroeconomic factors could significantly impact the Borrower's ability to make repayments;
- v. other liabilities - the underlying Borrower's Loans that are linked to the ABS usually do not restrict the Borrower from incurring additional unsecured or secured debt. Additional debt may adversely affect the Borrower's creditworthiness and could result in financial distress, insolvency or bankruptcy of the Borrower;
- vi. the Borrower's Loan issued in a different currency than the Borrower's income (profit) - in some cases, the Borrower's Loan that has been issued to the Borrower is in a different currency than the currency in which the Borrower earns income (profit). Significant changes in the exchange rates or a local currency devaluation could impact the Borrower's ability to make repayments.

2.1.2. The ABS Holders may not receive back its invested amount as it may not be possible to recover the full principal and interest owed by the Borrowers

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

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

If the Loan is secured by an asset, the proceeds from the sale of the asset would be allocated proportionally to the ABS holders of the same Series and all other creditors whose receivables are secured by that asset (unless another allocation order applies under applicable law). In addition, the pledged asset might lose its value and could be sold for an amount that is less than the amount due

to the ABS Holders, or the asset could be stolen, hidden, alienated, missing or damaged. There is also a risk that any pledge securing the Borrower's obligations under the Borrower's Financing Agreement 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 recategorized by the court of law, mistakes and omissions are made and/or due procedures are not followed when the pledge is formed. In that case, the obligations of the Borrower would become unsecured and the credit risk significantly increases.

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

In addition, the Borrower's Financing Agreement may be challenged for a variety of reasons, which may delay or otherwise prevent the Loan Originator from the its rights under the Borrower's Financing Agreement for an indefinite period of time. The reasons for challenging the Borrower's Financing Agreement could include errors in agreements, electronic form of agreement (while the legal form requirement might be met in principle by such electronic signature, its value as evidence in legal proceedings in some jurisdictions could be less compared to an actual signature made by hand on a physical document), compliance with regulations, as well as the Borrower legal representative fraud cases. Due to the reasons described above the ABS Holders may experience delayed repayments or partial or full loss of the amount invested in the ABS.

2.1.3. The Borrower may repay the Loan early

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

2.1.4. The Borrower may face difficulties to repay the Loan in advance

A Borrower may breach the Borrower's Financing Agreement, e.g. the Borrower may incur new liabilities or the Borrower may commence reorganisation or repledge the collateral without the consent of the Loan Originator, and the Loan Originator can therefore require early Borrower's Loan repayment in full. A Borrower may lack necessary financial resources to make such advance payment, so this could lead to Borrower's debt restructuring or debt collection and cause the ABS Holders to experience delayed repayments or partial or full loss of invested amount under the ABS.

2.2. Risks specific to the Borrower's Loan Servicing

2.2.1. The Loan Originator is unable to continue servicing the Borrower's Loan

Various factors can negatively impact the Loan Originator's ability to provide the Borrower's Loan servicing, which in turn could lead to delayed repayments to the ABS Holders or even partial or full loss of the invested amount under the ABS.

Some of the factors are:

- i. loss-making operations - the Loan Originator may experience losses due to various business events and factors, such as intense competition, higher than expected cost of client acquisition, high recovery costs, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to new loans and management errors;
- ii. macro-environmental factors - various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the non-performing the Borrower's Loans ratio;

- iii. regulatory risk: the Loan Originator is not currently regulated, but this may change in the future. However, the Loan Originator may not have sufficient financial resources, staff capacity and knowledge or other necessary resources to make any required changes in a timely manner as a result of regulation of the Loan Originator's business activities. Accordingly, the Loan Originator may be prohibited from engaging in business activities as currently conducted, which could have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows;
- iv. freezing, seizing or closing of the Loan Originator's operational bank account - the bank account that the Loan Originator uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Loan Originator's ability to collect the Loan Receivables and other Borrowers' payments and transfer funds to the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the Loan Originator;
- v. currency control restrictions or lack of corresponding banks chain - the local government could introduce certain currency control restrictions, leading to a situation where the Loan Originator is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the Loan Originator's bank accounts could be dramatically amended or terminated, eliminating the Loan Originator's ability to make payments towards the Issuer. This may negatively affect payments to the Issuer and thus further distributions to the ABS Holders;
- vi. changes in local regulation with regards to Borrower's Loans already issued - A legislative body of the country where the Loan Originator operates could introduce a Borrowers' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release;
- vii. internal control risk or beneficiaries' interests may conflict with investors' interests - the Loan Originator's beneficiaries' interests may in some cases conflict with investors' interests, in particular if the Loan Originator encounters financial difficulties or is unable to pay its debts as they fall due. The Loan Originator's beneficiaries' may have an interest in raising funds or entering into other transactions that they believe would enhance their investment in the Loan Originator, although such transactions may increase the Loan Originator's beneficiaries' indebtedness, require the Loan Originator to sell assets or otherwise impair the Loan Originator's ability to make payments. Any potential conflict between the Loan Originator's beneficiaries on the one hand and the investors on the other hand may have a material adverse effect on the value of the ABS;
- viii. other or sole funding sources - besides Debitum Investments, the Loan Originator may use other sources of funding, such as a bank credit line, corporate bonds issues, private equity or public shares offerings. In some situations, such as an economic downturn, it could be difficult for the Loan Originator to attract funding from other sources to refinance the existing liabilities, thus leading to a liquidity crisis that could lead to the Loan Originator having difficulties continuing operations. Furthermore, if the Loan Originator uses the Platform as a major funding source and a significant number of investors decide to suddenly avoid investing in the ABS corresponding to the Borrower's Loans, the consequences can be the same.

2.2.2. No Backup Servicer may be available for servicing the underlying Borrower's Loans if the Loan Originator is not able to continue the Borrower's Loan servicing

One of the key roles of the Loan Originator with respect to the ABS is to provide the Borrower's Loan servicing. There might be no backup servicer that could be appointed to take over the servicing from the Loan Originator if needed. If there is an event of default or other circumstance that disrupts the

due servicing of the Borrower's Loans and administration of the Borrowers' debts by the Loan Originator and if at the time no backup solution for the Borrower's Loan servicing exists, the timeline and volumes of repayments could be significantly impacted, leading to a partial or full loss of amounts invested in the ABS.

2.2.3. The Loan Originator may intentionally or unintentionally breach its contractual obligations

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

- i. the Loan Receivables sold to the Issuer are or will be pledged to other creditors - according to the Transaction Documents, to which the Loan Originator is a party, the Loan Receivables underlying the ABS must not be pledged to any creditors. If the Loan Originator intentionally or unintentionally pledges the specific Loan Receivables sold to the Issuer to other creditors, the ABS Holder could lose some or all the invested funds if the Loan Originator defaults or becomes insolvent;
- ii. false or incomplete information about the Loan Originator - all information in this Base Prospectus about and/or related to the Loan Originator has been provided and certified by the Loan Originator as actual, true, and complete. Material errors or omission of such information could initially affect the decision of the ABS Holder to invest in a particular ABS and eventually result in a negative outcome of the investment;
- iii. false Borrower data - the Loan Originator provides Debitum Investments with information about the Borrower's Loan status, the Borrowers, repayment schedules, repayments, extensions of the underlying Borrower's Loans or changes to the Borrower's Financing Agreements. While Debitum Investments regularly asks the Loan Originator to provide scanned copies of the documents as evidence for randomly selected Borrower's Loans, Debitum Investments does not check and verify all Borrower's Loans backing the ABS. There is a risk that the Loan Originator intentionally or unintentionally has provided wrong information to Debitum Investments or fails to provide information to Debitum Investments at all, and as a result, the payments under the ABS could be impacted;
- iv. the Loan Originator stops cooperation with Debitum Investments - the Loan Originator could for some reason suddenly stop cooperating with Debitum Investments. This could mean not honouring its obligations under the existing agreements, including the Transaction Documents and breach of their provisions. The Loan Originator could stop making payments to the Issuer, which means the Issuer would not be able to make payments to the ABS Holder. The Loan Originator might also stop providing Debitum Investments with the necessary information or providing the information with significant delays.

2.2.4. Insolvency of the Loan Originator

Insolvency, bankruptcy or other similar adverse events may significantly influence or even dismiss the ability of the Loan Originator to service issued the Borrower's Loans and to execute the undertaken Buyback Obligation towards the Issuer. This means that if the Loan Originator experiences significant problems, the Loan Originator may not be able to transfer the underlying Borrower's Loan repayments from the Borrowers or make payments of buyback price to the Issuer which would mean that the Issuer would not be able to make payments to the ABS Holder.

The Loan Originator may be required to continue to treat the Loan Receivables as assets of the Loan Originator from an accounting perspective. Reflection or recognition of the Loan Receivables sold to the Issuer as the Loan Originator's balance sheet assets if insolvency proceeding is initiated, may lead to the receiver or the administrator not recognising the Issuer's title over the Loan Receivable sold to it. In this case, the Issuer would need to take legal actions to protect its interests in the Loan Receivables. The Issuer may have to prove to the administrator, receiver and/or other parties that the Loan Receivables and the Borrowers' payments towards them are not to be included in the assets

of the Loan Originator that are available for the general pool of creditors. Should the Loan Receivables be treated as assets of the Loan Originator that are available for the general pool of creditors and not of the Issuer, the Issuer might be treated as an unsecured creditor of the Loan Originator and it may then be entitled to receive only a portion of all distributions available to the unsecured creditors of the same class, and this portion of distributions may be not enough to cover the indebtedness towards the Issuer partially or in full.

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 Loan Originator takes action to claw back to the Loan Originator estate, the Loan Receivables sold to the Issuer or amounts paid to the Issuer. The Issuer would then have to take legal actions to protect its interests in the Loan Receivables and the Borrowers' payments, and argue against the position of the administrator in judicial proceedings, which could be long and costly, and no assurance could be made of its successful outcome.

The Transaction Documents allow Debitum Investments to appoint a backup servicer, who would take over the servicing of the Loan Receivables in case of insolvency or bankruptcy of the Loan Originator. The enforcement of rights under contracts might not result in recoveries for the ABS Holder in a swift manner, and the recovery might be affected by lengthy and costly legal proceedings.

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

2.2.5. The Loan Originator's IT systems may fail or may be breached

IT systems are a crucial part of all financial services companies and if they are impacted, that could affect the Loan Originator's ability to provide financial services to its customers and exchange information with Debitum Investments. This could also result in loss or distortion of significant information and databases that are crucial for sound cooperation between Loan Originator, the Issuer and Debitum Investments, including for ABS issue servicing and administration. Since IT systems play such a crucial role in the Loan Originator's operation, the Loan Originator's typically devotes a substantial amount of resources to ensure stable and uninterrupted performance of the IT systems. Neither the Issuer nor Debitum Investments audits the Loan Originator's IT systems thus cannot ensure their soundness.

2.3. Risks specific to Debitum Investments

2.3.1. Inability to continue operations

Various events and failures could cause situations where Debitum Investments and the Platform is not able to continue operations.

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

If Debitum Investments goes into liquidation or bankruptcy, as a regulated and supervised entity, the process will be supervised by the Bank of Latvia. The appointed liquidator or administrator will take over the functions of the management board. Debitum Investments will continue servicing its clients and the Investment Accounts, and relevant financial instruments portfolios in line with what Debitum Investments is permitted to do according to the applicable insolvency and liquidation rules. The process from the moment of the appointment would be led by the appointed administrator or liquidator. In some cases, the Investors' Protection Law may apply. Such proceedings may have a significant impact on the timing of the redemption of the investments and add complexity to the redemption of the ABS.

In addition, Debitum Investments could for any reason suddenly cease to meet its obligations under the existing agreements, resulting in delayed payments or a partial or total loss of the amount invested in the ABS by the ABS Holders.

2.3.2. Non-compliance leading to revocation of licence

To provide services to the Investors, Debitum Investments, as the operator of the Platform, has received an investment firm (in the Latvian: *ieguldījumu brokeru sabiedrība*) license from the Bank of Latvia. The licence could be suspended or revoked due to non-compliance with regulations by Debitum Investments. Loss of licence by Debitum Investments could lead to delayed payments or partial or full loss of invested amount under the ABS.

2.3.3. Failure of IT systems or a security breach

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

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

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

2.3.4. Debitum Investments bank accounts could be frozen or closed and banks, where the ABS Holders funds are held, can become insolvent

Debitum Investments clients' funds, including the fund being deposited on behalf of the Issuer for settlement under the ABS, are kept segregated from Debitum Investments own funds in several bank accounts marked as client funds accounts.

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

2.3.5. Significant problem or termination of the agreement with a Debitum Investments partner may affect the provision of services to the clients

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

2.3.6. Certain situations or actions may raise conflicts of interests

While the rights and the responsibilities of Debitum Investments, the Issuer, the Loan Originator are detailed in the Transaction Documents and this Base Prospectus, and Debitum Investments 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 ABS Holder. While Debitum Investments provides placement services to the Issuer with respect to the ABS, Debitum

Investments also might provide the infrastructure services for the Loan Originator and the Issuer to perform sales of the Loan Receivables to the Issuer, as well as to exercise the Buyback Obligations. Debitum Investments receives fees from the Loan Originator for placement services. Debitum Investments has carefully set up the fees in a compliant manner and so that it would not violate the conflict of interest management rules. Such placement fees might qualify as inducements and Debitum Investments would disclose information on these inducements to the ABS Holder. In addition to inducement disclosures, Debitum Investments has set up internal procedures to identify and manage conflicts of interest. Some conflicts of interest require disclosure and those are disclosed.

2.4. Risks specific to the Issuer

2.4.1. The Issuer could default on its obligations or become insolvent

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

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

The Terms and Conditions of the ABS (in Section 9 ‘TERMS AND CONDITIONS OF THE ABS’) are set up and drafted as having 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 ruling, and/or new or modified legal enactments.

2.4.2. Debitum Investments 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 Loan Originator indirectly via Debitum Investments. If for any reason mentioned above in ‘Risks specific to Debitum Investments’, Debitum Investments is not able to cover such costs, it could significantly influence the operations of the Issuer and its ability to service the ABS and make payments to the ABS Holder.

2.4.3. Information asymmetry

With a reference to risks described above in ‘The Loan Originator may intentionally or unintentionally breach its contractual obligations’ and ‘false Borrower data’, part of the information in this Base Prospectus as well as significant information being received during the term of the ABS is being sourced and received from the Loan Originator. There is a risk that the Loan Originator can provide material information with delay or fails to provide information to the Issuer at all. As a consequence:

- i. the Issuer through Debitum Investments 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 the ABS Holders;
- ii. the Issuer will not be able to prepare and publish supplements to this Base Prospectus in a timely manner, which could impact the ABS Holder’s judgement on purchasing the ABS being

unaware of any significant new factor, material mistake or inaccuracy related to the information being sourced from the Loan Originator.

2.4.4. 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 ABS Holders under the ABS are exposed to all the risks listed above in 'Risks specific to the underlying assets (loans)', 'Risks specific to the Borrower's Loan Servicing, and 'Risks specific to Debitum Investments'.

2.5. Risks specific to ABS (asset-backed securities)

2.5.1. The ABS Holder has no rights of recourse against the Borrowers and the Loan Originator

The ABS Holder has no direct right to the Loan Receivables. Instead, the ABS Holder is acquiring the ABS, which are backed by the corresponding Loan Receivables. The legal title in the Loan Receivables and relevant rights arising from them are vested in the Issuer. This means that the ABS Holder will have no direct recourse against the Borrowers and no ability to independently and in its discretion to pursue any Borrower to collect payments under the relevant Borrower's Loan.

For the same reason the ABS Holder will have no direct recourse against the Loan Originator, and/or the pledgor, and no ability to pursue the Loan Originator enforce them to duly perform its duties and obligations due. 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.

2.5.2. Possible conflicts of interests

While the rights and the responsibilities of Debitum Investments, the Issuer and the Loan Originator are separated as set in the Transaction Documents and this Base Prospectus, and Debitum Investments 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 ABS Holder.

Debitum Investments provides placement services to the Issuer with respect to the ABS. Debitum Investments also is entitled to certain fee from the Loan Originator depending on the volume of the outstanding ABS purchased by the ABS Holders. Debitum Investments has carefully set up the fee in a compliant manner and so that it would not violate the conflict of interest management rules. Such fee might qualify as inducement and Debitum Investments would disclose information on these inducements to the ABS Holder. In addition to inducement disclosures, Debitum Investments has set up internal procedures to identify and manage conflicts of interest. Some conflicts of interest require disclosure and those are disclosed.

2.5.3. 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 ABS Holders of one Series of the ABS could become equal creditors to ABS Holders of other Series of the ABS, thus all the proceeds the Issuer receives from all the Loan Receivables is distributed on pro rata basis or otherwise.

2.5.4. Certain costs may rank higher than payments to the ABS Holder

While it is the Issuer's responsibility (performed by Debitum Investments as a paying agent) to transfer to the ABS Holder all payments that have been received from the Loan Originator, including the payments from the Borrowers received by the Loan Originator, there are certain costs, such as taxes (if any), Debitum Investments' fees (if any) and recovery costs (if any) that rank higher than payments to the ABS Holder. This means that the ABS Holder would only receive payment after the payment obligations of a higher priority have been settled. Also, there is a risk that the outcome of judicial or insolvency procedure could define other priority of payments, which differs from the priority in this Base Prospectus.

2.5.5. Liabilities that are not Series specific will be allocated to all Series of the ABS proportionally

If there are higher priority costs, i.e., taxes, fees and recovery costs, related to the specific ABS, then these will be covered from the payments due to the ABS Holders according to the Section 'PRIORITY OF PAYMENTS' of TERMS AND CONDITIONS OF THE ABS'. Where the liability is not Series-specific, for example, legal costs, the liability will be allocated to all Series of the ABS proportionally unless otherwise defined by the Section 'PRIORITY OF PAYMENTS' of TERMS AND CONDITIONS OF THE ABS'.

2.5.6. Event of default under another base prospectus affecting the ABS Holders of this Base Prospectus

The Issuer has or could in future enter into transactional documentation to issue other loans' backed and contingent securities with the Loan Originator. 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 the ABS Holders can face similar risks as described in the Sections 2.5.3, 2.5.4 and 2.5.5, for example, the outcome of judicial or insolvency procedure could overrule the creditors' priority due to requirements of the law, meaning that the asset-backed securities owners under other prospectus could be treated *pari passu* with other unsecured creditors of the Issuer, including with the ABS Holders of the ABS 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 Loan Originator which otherwise would be attributable to the Series Specific Borrower's Loans could be diverted to make payments with respect to other prospectuses of the Issuer and/or with respect to such proceedings.

2.5.7. Due diligence and monitoring performed by Debitum Investments and risk score allocated are limited in scope, do not address all material risks, and do not provide any assurance or indemnification

Before the Loan Originator starts cooperation with Debitum Investments and during the cooperation, Debitum Investments performs out due diligence and assigns a Debitum Investments risk score. It is important to point out that these processes are limited in scope and do not address all material risks relating to an investment in the ABS, but rather reflect the view of Debitum Investments at the time the due diligence and monitoring are performed. Even if Debitum Investments continuously measures the accuracy of the Debitum Investments risk score and evaluates the need to adjust the methodology when new data is obtained, these processes might not guarantee any further performance of the investment. Debitum Investments neither provides any assurance or guarantee for the ABS Holder nor indemnifies or holds the ABS Holder harmless for any loss or adverse consequence directly or indirectly arising from the ABS Holder relying upon the risk score or due diligence and monitoring performed. **Basing investment decisions solely on the Debitum Investments risk score could lead to a partial or full loss of invested amounts.**

2.5.8. Buyback Obligation could impact planned return

The Loan Originator may repurchase the Loan Receivables from the Issuer at any time at their then outstanding principal value without any penalty or other compensation. This may happen, for example, in cases where the Loan Originator can acquire lower cost financing from other sources and wishes to refinance the Borrower's Loan. The Loan Originator not only has a right to repurchase, but also has an obligation to repurchase the Loan Receivables from the Issuer upon the occurrence of certain events specified in the Cooperation Agreement. The Loan Originator may become obliged to repurchase one or several affected Loan Receivables, as well as there are certain events that may trigger the obligation to repurchase all the Loan Receivables. Occurrence of a Material Event of Default under the Cooperation Agreement triggers the obligation to repurchase all the Loan Receivables. If the repurchase right is exercised by the Loan Originator or if the repurchase obligation arises, the relevant Series of the ABS will be redeemed early in full or in part once the Issuer has received the repurchase price from the Loan Originator. The ABS Holder's return on the investments in the ABS which are redeemed due to the repurchase will be lower than the initially planned return.

2.5.9. New regulations introduced in the future could impact the ABS Holder and Debitum Investments

Due to several reasons, such as improvements in computer technology, the financial crisis of the past decade and a greater focus on preventing the legalisation of illegally gained proceeds, the financial industry over the last years has experienced the introduction of several new regulations. With further developments and adoption of technologies, jurisdictions, either where ABS Holders or Debitum Investments are domiciled are likely to introduce new regulations or administrative interventions that could relate to ABS or online marketplaces such as the Platform. Such regulation in the future, for example, could enhance investors' protection measures, limit access to the ABS to only qualified or sophisticated ABS Holders, limit the proportion of the portfolio that can be invested through the ABS 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 Debitum Investments. Failure to comply with 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 the ABS.

2.5.10. New regulation in relation to taxes could impact the expected return for the ABS Holder

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

2.5.11. The ABS have limited liquidity and transferability

The ABS are limited liquidity securities and there is no active market for them, and the ABS are not admitted to any trading venue, except it is currently possible to trade ABS between the Investors (the persons registered on the Platform and accepted by Debitum Investments as an investors) over the counter on the Platform by using the written or email correspondence with Debitum Investments. This means that purchased ABS are in the ABS Holder's limited possession until the end term of the ABS. The ABS Holder should therefore only invest in the ABS that the ABS Holder is comfortable with holding to maturity unless the ABS is sold to other Investor over the counter on the Platform by using the written or email correspondence with Debitum Investments.

2.5.12. An undiversified investment portfolio may lead to greater exposure to the Loan Originator and country-specific risks than a well-diversified portfolio

Investment in ABS issued in relation only to the same Loan Originator or the ABS with the same underlying Borrower's Loans related to one country means that the performance of the portfolio and risk exposure depends on that ABS, the Loan Originator, the Borrowers, country and currency risk. Debitum Investments suggest its clients to build a well-diversified portfolio.

2.5.13. Investing in the ABS issued in other currencies increases the ABS Holder's exposure to currency risk

If a ABS Holder invests in the ABS denominated in a currency that is different from the currency that the ABS Holder earns (collects) 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 ABS Holder could lose part of the investment, and if the currency appreciates significantly, the ABS Holder could earn a higher return on investment.

2.5.14. The ABS are not bank deposits

Investment in the ABS 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.

3. GENERAL INFORMATION

3.1. Important notices

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

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

Any materials relating to any potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. Under no circumstances will this Base Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction other than provided on page 1 of this Base Prospectus.

3.2. Responsibility for this Base Prospectus

The Management Board of the Issuer, Henrijs Jansons, accepts responsibility for the information contained in this Base Prospectus (other than the information in the Section 7 'THE LOAN ORIGINATOR' and Section 8 'BORROWER'S LOANS'. To the best of its knowledge, the information (other than the information in the Section 7 'THE LOAN ORIGINATOR' and Section 8 'BORROWER'S LOANS' contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties identified in this Base Prospectus as such has been accurately reproduced and that as far as the Issuer is aware and are 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.

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

Henrijs Jansons
Member of the Management Board
SIA DN Funding Zeta

The Loan Originator accepts responsibility for the information contained in the Section 7 'THE LOAN ORIGINATOR' and Section 8 'BORROWER'S LOANS'. To the best of its knowledge, the information contained in the Section 7 'THE LOAN ORIGINATOR' and Section 8 'BORROWER'S LOANS' is in accordance with the facts and makes no omission likely to affect its import.

3.3. Final Terms

Each Series of the ABS will be issued on the terms and conditions set out in the Section 9 'TERMS AND CONDITIONS OF THE ABS' as completed by the applicable Final Terms. The Final Terms will be published on the Platform (www.debitum.investments). A form of applicable Final Terms is set out under the Section 11 'APPLICABLE FINAL TERMS'.

3.4. Other relevant information

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

3.5. 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.

Debitum Investments 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 ABS, nor does Debitum Investments 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 ABS.

3.6. Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms, and the offer, sale and delivery of the ABS in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and Debitum Investments to inform themselves about and to observe any such restrictions. In particular, the ABS have not been and will not be registered under the Securities Act. Subject to certain exceptions, the ABS may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any ABS and should not be considered as a recommendation by the Issuer, Debitum Investments or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any ABS. Each recipient of this Base Prospectus or any Final Terms will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. Debitum Investments has not provided any financial or taxation advice in connection with the Programme or the ABS.

3.7. Reasons for the offer and use of proceeds

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

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

3.8. Programme limit

The maximum aggregate nominal amount of all ABS from time to time outstanding under the Programme will not exceed EUR 8,000,000 (eight million euro).

3.9. The Loan Receivables coverage ratio

The underlying Loan Receivables at the Issuer's disposal are subject to a minimum coverage ratio of 100%.

The minimum coverage ratio is reviewed at least once a quarter. When reviewing the minimum coverage, the value of each Loan Receivable within the pool is calculated, considering the Loan Receivables made by the Borrower (determining the actual value of each asset), as well as additionally applying the following valuation methodology:

- 100% of the Loan Receivable value, if the Borrower pays the Loan Receivable on time or delays the payment for less than 15 (inclusive) days;
- 75% of the Loan Receivable value, if the Borrower delays the payment of the Loan Receivable from 16 to 30 (inclusive) days;
- 50% of the Loan Receivable value, if the Borrower delays the payment of the Loan Receivable from 31 to 60 (inclusive) days;
- 25% of the Loan Receivable value, if the Borrower delays the payment of the Loan Receivable from 61 to 90 (inclusive) days;
- 0% of the Loan Receivable value, if the Borrower delays the payment of the Loan Receivable for more than 91 (inclusive) day.

If, when reviewing the minimum coverage ratio, it is determined that the total actual value of the Loan Receivables currently used as collateral does not exceed the minimum coverage ratio, the minimum coverage ratio is not observed, the Issuer purchases additional Loan Receivables from the Loan Originator to the extent that the assets provide minimum coverage ratio. If this is not possible, the Issuer is obliged to repurchase the ABS in part or in full so that the actual value of the Loan Receivables is sufficient to ensure the minimum coverage ratio of the uninitiated part of the ABS.

All Loan Receivables that are included as collateral for the specific ABS are equivalent and comply with the characteristics of the Loan Receivables described in this Base Prospectus and/or the Final Terms.

3.10. 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.

3.11. Ratings

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

3.12. Currency

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

3.13. Interests of persons in the ABS offer

In so far as Issuer and Debitum Investments are aware, no person involved in this ABS offer has an interest material to the offer except possible conflicting interests that might arise between the Issuer, Debitum Investments and the Loan Originator. These conflict of interest situations are mitigated by

clear division of roles of Issuer, Debitum Investments and the Loan Originator in the Transaction Documents and in Debitum Investments internal procedures on mitigation of conflicts of interest.

3.14. Third-party and market share data

This Base Prospectus contains information regarding business of the Issuer, Debitum Investments, the Loan Originator and others, and the industry in which they operate and compete. Where third party information has been used in this Base Prospectus, the source of such information has been identified. Statistical information included in this Base Prospectus has been derived from official public sources, including the statistical releases. All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Issuer to Investors who have purchased the ABS. 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 Loan Originator using its information and other publicly available market information.

Each of the Issuer and the Loan Originator believes that these estimates of market share are helpful as they give prospective Investors a better understanding of the industry in which the Issuer or the Loan Originator operates as well as its position within that industry. Although all such estimations have been made in good faith based on the information available and the Issuer's or the Loan Originator's knowledge of the market within which it operates, neither the Issuer nor the Loan Originator can guarantee that a third-party expert using different methods would reach the same conclusions. Where information has not been independently sourced, it is the Issuer's or the Loan Originator's own information.

3.15. No incorporation of website information

The Issuer is affiliated with Debitum Investments and their Platform (www.debitum.investments).

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

4. TRANSACTION OVERVIEW

4.1. The Description of the transactions in relation to the ABS

4.1.1. The Issuer, Debitum Investments and the Loan Originator

The Issuer, Debitum Investments and the Loan Originator have entered into the Transaction Documents for the issue and sale of the ABS as described in this Base Prospectus.

4.1.2. The Issuer, Debitum Investments and the Loan Originator

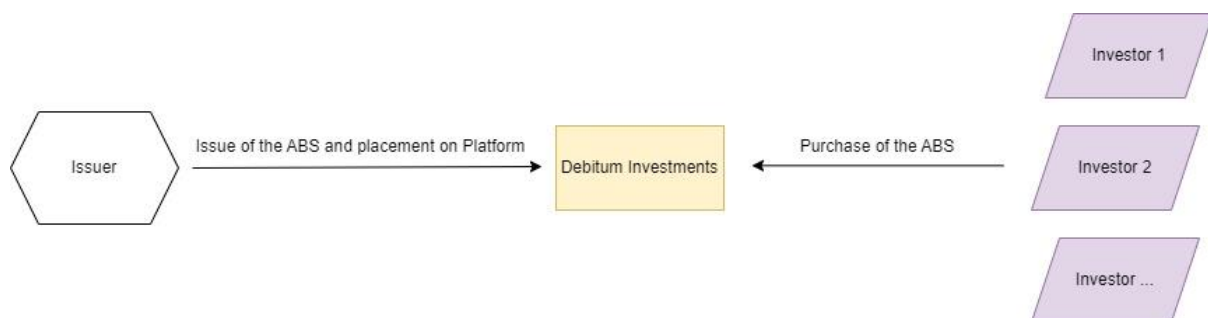


The Loan Originator makes, from time to time, an irrevocable offer to sell the Loan Receivables to the Issuer. The offer for sale of the Loan Receivable is accepted by signing the Claim Portfolio Assignment Agreement between the Loan Originator and the Issuer.

The Loan Receivables are required to meet certain eligibility criteria to form a 'pool' of the Loan Receivables to serve as the underlying assets for a particular Series of the ABS and to satisfy other conditions precedent. Payment for the acquired Loan Receivable is subject to placement of the Series of the ABS. That means the Loan Receivables transferred to the Issuer and backing the Series of the ABS have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the ABS. The Loan Originator retains in relation to each Loan (a) the 'skin in the game' in keeping 10% of the principal amount outstanding and (b) any collateral consisting of pledge rights and title to the relevant property. The Borrowers are not notified of the transfer of the Loan Receivables. The Loan Originator continues to service the Loan Receivables.

The Loan Originator, the Issuer and Debitum Investments agree that, Debitum Investments will act as the paying agent for the Issuer under the Transaction Documents i.e. the Loan Originator will make payments directly to Debitum Investments and Debitum Investments will make payments directly to the ABS Holders.

4.1.3. Issue of the ABS



Once the Issuer has a pool of the Loan Receivables, Debitum Investments publishes the Final Terms for the relevant Series of the ABS on the Platform on behalf of the Issuer. This process is automated and takes place in real-time. As of the Issue Date, the particular ABS are publicly offered by the Issuer through the Platform. Investors can purchase the ABS from the Issue Date until the Maturity Date of the ABS provided in the Final Terms or until the time when the ABS are fully sold to Investors by the Issuer, whichever occurs earlier.

Information about the offer results of the ABS is published on the Platform (www.debitum.investments) in real-time starting from the Issue Date of the ABS. Subscriptions will not be reduced, which means refund of amounts paid in excess does not apply. The Issuer does not

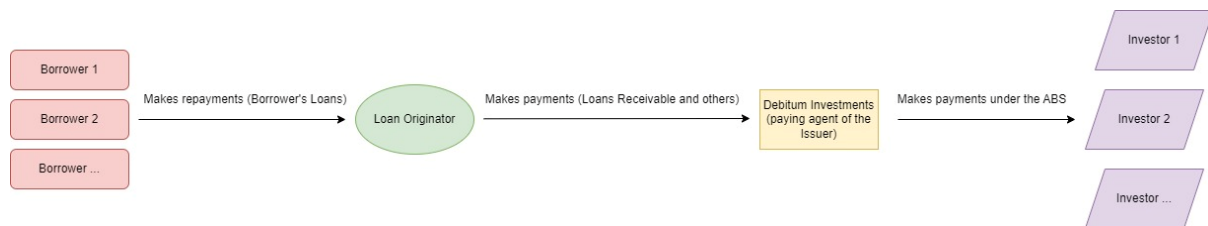
expect any conditions to which offer of the ABS would be subject. To purchase ABS from the Issuer, the Investor registered on the Platform submits an ABS subscription order by pressing “Invest” or “Subscribe” button or similar button in the “Invest” section of the Platform, indicating the amount of money that the Investor wishes to invest in particular ABS. When the Investor’s ABS subscription order is accepted by the Platform, Debitum Investments debits immediately cash funds from the Investor’s cash account with Debitum Investments and Debitum Investments no later than at the end of the day (until 00:00 GMT+2) facilitates ABS, and all Investor’s ABS subscriptions collected from the Investors during that day are closed and the Investor’s purchased ABS are transferred to Investor’s financial instrument account with Debitum Investments. Since the Issuer and Debitum Investments provide financial services the price of which depends on fluctuations in the financial market, which the service provider is not able to control and which may occur during the withdrawal period for services related to transferable securities, the Investor’s ABS subscriptions are executed immediately without providing the so called “period of reflection” to Investors during which Investors are entitled to recall the ABS subscriptions.

Minimum subscription amount are 1000 (one thousand) ABS. Maximum subscription amount is up to the Aggregate Nominal Amount for the relevant Series of the ABS, but subject to the nominal amount of the ABS being available for purchase from the Issuer as at execution time of the ABS subscription order at Debitum Investments.

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

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

4.1.4. Payments under the ABS



Interest specified in the Final Terms will begin to be calculated and accrue from (and including) the first day when the Investor has acquired the ABS from the Issuer and the ABS are recorded by Debitum Investments in the Investor’s financial instruments account with Debitum Investments.

The Interest and principal payments under the ABS are linked and contingent on corresponding payment being made under the pool of the underlying Loan Receivables. The ABS are interest-only financial instruments, which means that only interest is paid daily or monthly during the term of the ABS, while the principal amount outstanding of the ABS is paid at maturity of the ABS.

4.1.5. The Buyback Obligation

The Buyback Obligation is the obligation of the Loan Originator to repurchase the Loan Receivable(s) from the Issuer if requested to do so by the Issuer or Debitum Investments upon the occurrence of certain events specified in the Cooperation Agreement and/or the Claim Portfolio Assignment Agreement.

If the Buyback Obligation is triggered, the relevant Series of ABS will be redeemed early in part or fully once the Issuer has received the buyback price from the Loan Originator. The buyback price is the nominal value of the Loan Receivable as it is at the time when the Buyback Obligation arose, which means the nominal value of the principal outstanding and the interest and other ancillary claims assigned to the Issuer that form part of the Loan Receivables up to the date when the Buyback Obligation was triggered.

The Buyback Obligation may be triggered by the Issuer or Debitum Investments if:

- i. the Loan Receivables are outstanding after the Maturity Date of the ABS specified in the Final Terms;
- ii. the Borrower delays any payment arising from the Borrower's Financing Agreement and such payment has not been transferred to the Issuer by the Loan Originator or substituted with another Borrower's Loan for more than 90 calendar days;
- iii. if the Borrower's Financing Agreement and/or security agreement (if any) is or is reasonably likely to, for any reason and by any means becomes invalid or unenforceable whether in whole or in part or it becomes impossible or unlawful for any party to any such document to perform its obligations indicated therein or for the Loan Originator, Debitum Investments and the Issuer to exercise its rights established in such documents;
- iv. if the Borrower is in default and the Loan Originator unilaterally terminates the Borrower's Financing Agreement or requests early repayment;
- v. if, in the reasonable opinion of Debitum Investments, the Issuer and/or the Loan Originator, the Borrower's fraud or fraudulent misrepresentation has occurred;
- vi. in case of occurrence of an event of default as defined in the Cooperation Agreement (see paragraph 'Material Events of Default' of the Section 4.2.1 'Cooperation Agreement Cooperation Agreement');
- vii. if the Loan Originator repeatedly defaults on any information undertaking indicated in the Cooperation Agreement; or
- viii. if any authorisation, consent, approval, resolution, license or registration required or desirable to enable the Loan Originator lawfully provide financial services or perform the Cooperation Agreement is revoked or becomes invalid.

If the repurchase is requested, repurchase obligation must be met by way of paying the repurchase price within the time period, which is 5 (five) business days after the notice has been given to the Loan Originator regarding the repurchase and the calculation of the amounts payable is sent to the Loan Originator.

4.1.6. No credit enhancement

The ABS have no credit enhancements and no liquidity support in relation to payment of interest or principal. The Issuer, as a special purpose entity, has no obligation to make any payment on the ABS unless sufficient funds have been received from the Loan Originator. The Loan Originator, in turn, is dependent on payments on the relevant Borrower's Loans from the Borrowers.

4.2. TRANSACTIONS DOCUMENTS

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

4.2.1. Cooperation Agreement

General

The Cooperation Agreement contains the agreement between the Issuer, the Loan Originator and Debitum Investments on the matters outlined in the above section entitled 'THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE ABS.

Sample of the Borrower's Financing Agreement is provided in the schedule to the Cooperation Agreement. There are also other schedules to the Cooperation Agreement.

This Base Prospectus as submitted to the Bank of Latvia for approval is not a schedule to the Cooperation Agreement but is agreed on in writing by the same parties as those of the Cooperation

Agreement no later than on or about the date of submission of this Base Prospectus to the Bank of Latvia for approval.

Debitum Investments

Debitum Investments acts as an assignment agent, placement agent, calculation agent, transfer agent and paying agent of the Issuer in relation to the ABS.

Borrower's Loan servicing

The Issuer has appointed the Loan Originator as the servicer with service rights which includes any and all rights to:

- i. service the Loan Receivables;
- ii. all agreements or documents creating, defining or evidencing the servicing rights to the extent they relate to the servicing;
- iii. collect all payments under the Borrower's Financing Agreements; and
- iv. maintain and use any and all servicing files and other data and information about the Loan Receivables, and about the past, present or prospective servicing of the Loan Receivables.

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

- i. to collect and process payments from the Borrowers;
- ii. to transfer payments from the Borrowers to the Issuer;
- iii. not to assign, transfer or create any encumbrance over any Loan Receivables;
- iv. to take all reasonable actions to ensure that the Loan Receivables are not treated as the Loan Originator's property and any pledge rights, prohibitions or other encumbrances in favour of the Loan Originator, its creditors or administrators would not be attributed to the Loan Receivables.

The appointment of the Loan Originator as the servicer can be terminated by written mutual agreement between the Issuer, the Loan Originator and Debitum Investments only when the Issuer has settled all obligations under the ABS towards the ABS Holders. Subject to certain terms and conditions, the Issuer or Debitum Investments may, by notice to the Loan Originator terminate the appointment of the Loan Originator as the servicer and appoint another person as the servicer of the Loan Receivables.

Extensions

The Loan Originator may modify any of the Borrower's Financing Agreement without approval of the Issuer or Debitum Investments, provided that payments from the relevant Borrower remain unchanged.

Representations and warranties

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

- i. each Loan Receivable is valid, free and clear of any and all encumbrances and shall not be assigned to third persons or limited in any other form and is effective and shall be effective and binding on the Borrower;

- ii. the financing under the Borrower's Financing Agreement has been duly agreed with the Borrower and/or disbursed to the Borrower (meaning the Loan Originator has an outstanding claim towards the Borrower);
- iii. the Borrower's Financing Agreement is valid and in force, and the Loan Originator has not received or given written notice of an early termination of any such agreement;
- iv. all documents and information provided to the Issuer and Debitum Investments by the Originator have been true and correct copies of original documents;
- v. any information provided by the Loan Originator for the purposes of the Cooperation Agreement was true and accurate as at the date it was provided or as at the date (if any) at which it is stated;
- vi. all governmental and other licenses permits and authorisations (if necessary) for the Loan Originator to continue to carry on its businesses as conducted on the signing date of Cooperation Agreement are in full force and effect.

Covenants

The Loan Originator has covenanted to comply with certain financial and other covenants.

Indemnities and penalties

The Loan Originator has agreed to pay the contractual penalties to Debitum Investments for breach of any of the obligations indicated in the Cooperation Agreement. Each of the Issuer, the Loan Originator and Debitum Investments has indemnified the others against any and all losses suffered by or incurred by the others arising out of or resulting from its breach under the Cooperation Agreement.

Material Events of Default

The Cooperation Agreement contains an exhaustive list of events that constitute Material Events of Default. Material Events of Default under the Cooperation Agreement include events like:

- i. the Loan Originator has failed to pay when due any amount as required by the Cooperation Agreement and/or any Claim Portfolio Assignment Agreement, except cases when such failure is caused by an administrative error of a payment service provider, other than an error caused by the negligence or wilful misconduct of the Loan Originator, and such delayed payment is made in full within 14 (fourteen) calendar days after the notification by Debitum Investments;
- ii. the Loan Originator has fully or partially revoked the authorisation given by it to Debitum Investments under the Cooperation Agreement;
- iii. the Loan Originator has failed to exercise its buyback obligations as per the Cooperation Agreement or the Claim Portfolio Assignment Agreement;
- iv. any representation or warranty made or deemed to be made by the Loan Originator in the Cooperation Agreement or any other document delivered by or on behalf of the Loan Originator under or in connection with the Cooperation Agreement was or becomes false or untrue during the performance of the Cooperation Agreement;
- v. the Loan Originator does not provide Debitum Investments with the necessary information to carry out the Loan Originator's identification, KYC procedures, the Borrowers on-boarding and the Borrowers KYC documents, confirmation of the origin of the funds and other activities necessary under Debitum Investments policies and procedures or applicable legal acts;

- vi. the Loan Originator has failed to perform in a timely manner or is in breach of any other its non-monetary obligations under the Cooperation Agreement and fails to cure the breach during additional 14 (fourteen) calendar days term granted by Debitum Investments (if non-performance or breach may be rectified);
- vii. compulsory execution is initiated or is threatened to be initiated by other creditors with respect to the Loan Originator's assets and such compulsory execution may affect performance of the Cooperation Agreement;
- viii. under the consideration of Debitum Investments or the Issuer, financial situation of the Loan Originator or any other circumstances, may negatively affect performance of the Cooperation Agreement or the Claim Portfolio Assignment Agreement;
- ix. the Loan Originator breaches any of its obligations with respect to other creditors or becomes insolvent;
- x. any corporate actions, legal proceedings or other procedures or steps are taken in relation to: (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration of the Loan Originator, including, without limitation, institution of insolvency proceedings, liquidation, including but not limited to voluntary liquidation and, court ordered liquidation; (b) a composition, compromise, assignment or arrangement with any creditor or a group of creditors of the Loan Originator; (c) the appointment of a liquidator, receiver, administrative receiver, insolvency administrator, compulsory manager or any other similar officer in respect of the Loan Originator or any of its assets; or (d) enforcement on any assets of the Loan Originator or any analogous procedure or step is taken in any jurisdiction in respect to the Originator;
- xi. it is or becomes unlawful for the Loan Originator to perform any of its obligations under the Cooperation Agreement or any of the Claim Portfolio Assignment Agreements;
- xii. an investigation has been commenced in respect of the Loan Originator regarding any potential breach of anti-money laundering, counter-terrorism financing or sanctions legislation, and the Loan Originator is declared being a suspect within the investigation proceedings, or the Loan Originator has committed a criminal offense with regards to the breach of anti-money laundering, counter-terrorism or proliferation financing or sanctions legislation;
- xiii. bailiff, state tax inspectorate or any other state administrative institution applies any restrictions to the Loan Originator that encumbers its (the Loan Originator's) economic and financial activities in whole or in part.

The above is not a precise wording of the Cooperation Agreement provisions on the Material Event of Default, it is just a description of their essence.

If any Event of Default occurs, Debitum Investments may

- i. declare that buyback obligations of the Loan Originator;
- ii. terminate the Cooperation Agreement unilaterally; and/or
- iii. request immediate settlement of all and any sums payable under the Cooperation Agreement (i.e. no later than 5 (five) calendar days after receipt of Debitum Investments notice);
- iv. stop the execution of sales of the Loan Receivables to the Issuer, stop the placement of the ABS on the Platform; and stop the processing of submitted but not yet executed orders for subscription of the ABS.

Term and termination

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

Governing law

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

5. ISSUER

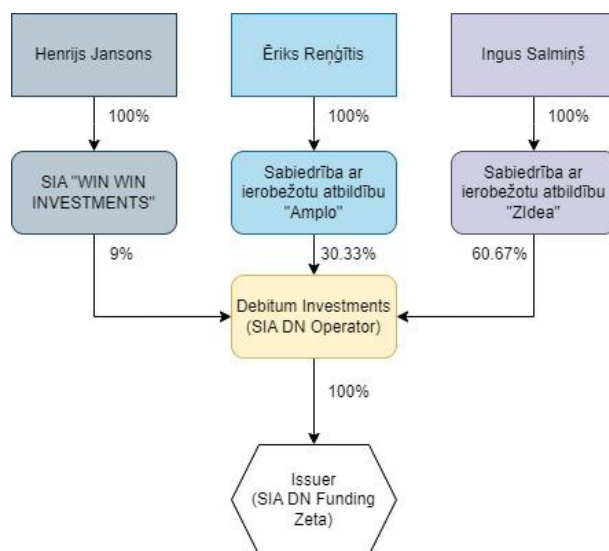
5.1. General

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

The Issuer does not take part in any other business activities.

The Issuer is incorporated as a limited liability company (in the Latvian: *sabiedrība ar ierobežotu atbildību*) and registered in the Commercial Registry of Latvia (in the Latvian: *Komercreģistrs*) on 7 December 2023 under the name SIA DN Funding Zeta with registration number 40203526691. It operates under the laws of the Republic of Latvia and has its registered office at Ūnijas iela 8 k-7, Rīga LV-1084, Latvia. The Legal Entity Identifier (LEI) of the Issuer is: 894500NYE30AQD6XRP69.

The registered and paid up share capital of the Issuer is EUR 2800 consisting of 280 shares each having a nominal value of EUR 10. Each share is entitled to one vote. The sole shareholder of the Issuer is Debitum Investments.



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

The Issuer is managed by the Management Board, the members being appointed by the shareholder of the Issuer. The members of the Management Board are Henrijs Jansons and Ingus Salmiņš (who has been elected but not yet registered in the Commercial Registry of Latvia (in the Latvian: *Komercreģistrs*)).

Henrijs Jansons is also the member of the Management Board of Debitum Investments, SIA DN Funding Alpha, SIA DN Funding Beta, SIA DN Funding Delta, SIA DN Funding Gamma, SIA DN Funding Epsilon and the Loan Originator.

Ingus Salmiņš is also the member of the Management Board of Debitum Investments, SIA DN Funding Alpha, SIA DN Funding Beta, SIA DN Funding Delta, SIA DN Funding Gamma, SIA DN Funding Epsilon, SIA "Prime Gold", SIA Ecto, SIA "AmberCapital", SIA Powerhouse Sarkandaugava, SIA "PM Auto noma", SIA "Priedes mežs", SIA "Actif" and sabiedrība ar ierobežotu atbildību "Zīda" (shareholder of the Loan Originator and Debitum Investments).

For so long as the ABS of any Series remain outstanding or the ABS may be issued under the Programme, the articles of association of the Issuer and all further reports, and other documents, historical financial information etc. can and will be accessed on the Platform (<https://debitum.investments/en/corporate-governance>).

5.2. Activities

The activities of the Issuer are as follows:

- i. issue and publicly offer the ABS to the Investors, including preparation, submission to the Bank of Latvia and publication on the Platform of this Base Prospectus;
- ii. purchases of Loan Receivable from the Loan Originator arising from the Borrower's Loans issued to the Borrowers;
- iii. payments under the ABS through Debitum Investments, subject to receiving relevant funds from the Loan Originator; and
- iv. publication of financial and other information to the Investors in accordance with applicable law.

5.3. Financial information

At the date of this Base Prospectus, the Issuer has not commenced any operations and the Issuer is a newly established undertaking (registered on 07 December 2023), and accordingly, no financial statements have been prepared. The financial statements will be prepared in accordance with the Latvian Generally Accepted Accounting Principles (GAAP).

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

The auditors of the Issuer for the financial year 2023 will not be appointed. As at 31 December 2023, the Issuer meets the criteria of a micro company under Section 5(2) of the Law on the Annual Statements and Consolidated Annual Statements and no other exception under Sections 91 and 92 of the Law on the Annual Statements and Consolidated Annual Statements applies to the Issuer where a small micro company would be required to audit for the financial year 2023.

In accordance with the Section 97(1) of the Law on the Annual Statements and Consolidated Annual Statements, the annual financial report must be prepared and submitted to the State Revenue Service of the Republic of Latvia not later than five months after the end of the reporting year. At the same time, the Section 24(3) of the Accounting Law stipulates that the first reporting year of a newly established undertaking (such as the Issuer) may cover a shorter or a longer time period, but not longer than 18 months. Therefore, i.e. the 2023 financial report of the Issuer for the period of 07 December 2023 – 31 December 2023 will be prepared and submitted until 31 May 2025 together with the 2024 financial report. Meanwhile the Issuer undertakes to publish the operating balance sheet in the English for the 1st half of the 2024 financial year until 31st July 2024 and the operating balance sheet in the English for the 2nd half of the 2024 financial year until 31st January 2025 on the Platform (<https://debitum.investments/en/corporate-governance>).

5.4. Authorisation

The establishment of this Programme and the issue of the ABS has been duly authorised by Issuer's shareholder's decisions on 05 June 2024.

5.5. Significant or material change

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

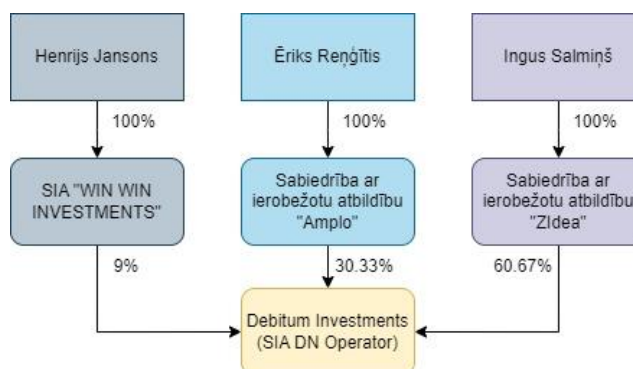
5.6. Litigation

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

6. DEBITUM INVESTMENTS

6.1. Debitum Investments and its shareholders

Debitum Investments is incorporated as a limited liability company (in the Latvian: *sabiedrība ar ierobežotu atbildību*) and registered in the Commercial Registry of Latvia (in the Latvian: Komercreģistrs) on 9 April 2019 under the name SIA DN Operator with registration number 42103092209. It operates under the laws of the Republic of Latvia and has its registered office at Ūnijas iela 8 k-7, Rīga LV-1084, Latvia.



60.67% shares in Debitum Investments are held by sabiedrība ar ierobežotu atbildību "Zīda", registration number 40203138540, with the sole ultimate beneficial owner and shareholder being Ingus Salmiņš.

30.33% shares in Debitum Investments are held by sabiedrība ar ierobežotu atbildību "Amplo", registration number 40103356486, with the sole ultimate beneficial owner and shareholder being Ēriks Reņģītis.

9% shares in Debitum Investments are held by SIA "WIN WIN INVESTMENTS", registration number 50203436811, with the sole ultimate beneficial owner and shareholder being Henrijs Jansons.

Debitum Investments is managed by the Management Board, the member being appointed by the shareholders of Debitum Investments. The current three members of the Management Board are Henrijs Jansons, Ingus Salmiņš and Edgars Turlajs. Any two members of the Management Board are entitled to represent Debitum Investments jointly.

Henrijs Jansons is also the member of the Management Board of the Issuer, SIA DN Funding Alpha, SIA DN Funding Beta, SIA DN Funding Delta, SIA DN Funding Gamma, SIA DN Funding Epsilon and the Loan Originator.

Ingus Salmiņš is also the member of the Management Board of SIA "Prime Gold", SIA Ecto, SIA "AmberCapital", SIA Powerhouse Sarkandaugava, SIA "PM Auto noma", SIA "Priedes mežs", SIA "Actif" and sabiedrība ar ierobežotu atbildību "Zīda" (shareholder of the Loan Originator and Debitum Investments).

Debitum Investments is an investment firm (in the Latvian: *ieguldījumu brokeru sabiedrība*) licensed by the Bank of Latvia since 21 September 2021 and Debitum Investments is authorised to provide following investment services and ancillary services:

- i. placing of financial instruments without a firm commitment basis;
- ii. investment advice;
- iii. holding of financial instruments;
- iv. currency exchange services where these are related to the provision of investment services;

- v. execution of orders on behalf of clients;
- vi. services related to underwriting.

Debitum Investments provides services in Latvia. Debitum Investments has not commenced provision of services in other countries as of the date of this Base Prospectus but may do so during the validity period of this Base Prospectus.

Cash funds of the Investors are held by Debitum Investments with partner banks including AS "SEB banka", registration number 40003151743, and BluOr Bank AS, registration number 40003551060.

Debitum Investments owns and operates the Platform (www.debitum.investments) which is the technical infrastructure through which (i) the Loan Originator sells Loan Receivables to the Issuer, (ii) the Issuer offers and sells the ABS to Investors and (iii) information exchange and money flows occur between Investors, the Issuer and the Loan Originator.

6.2. Key activities performed by Debitum Investments with respect to the ABS

Main activities performed by Debitum Investments with respect to the ABS are as follows:

- i. opening and servicing the Investment Accounts for Investors and (a) carrying out anti-money laundering, combating the financing of proliferation and terrorism and know your client policies and procedures, (b) carrying out appropriateness and suitability tests, (c) being responsible for compliance with product governance requirements and (d) informing Investors regarding the risks inherent in the products and services depending on the status of the Investor;
- ii. preparing this Base Prospectus and submitting it to the Bank of Latvia for approval;
- iii. operating the Platform for (a) the Investors to acquire the ABS and (2) the Issuer and the Loan Originator to transfer title in the Loan Receivables and exchange information in relation to the Loan Receivables, including, the Borrower's Loans;
- iv. acting as a placement, calculation, transfer and paying agent for the ABS including (a) authorised to act as a fiduciary agent with respect to all Loan Receivables transferred by the Loan Originator to the Issuer, (b) settlement of payments due between the Issuer and the Loan Originator, (c) payments to the Investment Accounts, (d) provision of information regarding the Investors to the Issuer to calculate any withholding taxes on payments, (e) settlement of payments due between the Issuer and the Loan Originator;
- v. maintaining the register of ABS Holders;
- vi. complying with the Transaction Documents including monitoring of compliance of the Loan Originator with the covenants and other provisions of the Transaction Documents;
- vii. preparing and submitting reports for legal and regulatory purposes to the Bank of Latvia, the Latvian State Revenue Service and others.

7. THE LOAN ORIGINATOR

7.1. Business overview

The Loan Originator is a non-bank lending company established in Latvia as a limited liability company (in the Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203473712 in the Commercial Registry of Latvia (in the Latvian: *Komercreģistrs*) on 30 March 2023. The Loan Originator's legal entity identifier: 894500FHOFZYE75TV978. The Loan Originator has its registered address at Ūnijas iela 8 k-7, Riga LV-1084, Latvia.

The Loan Originator provides business loans to small and medium sized enterprises (the Borrowers) secured by commercial pledges or other forms of collateral. The Loan Originator primarily operates in Latvia and its clients (the Borrowers) are small and medium sized enterprises registered in Latvia from all types of sectors in need of additional financing. Loans are offered online via website www.sandboxfunding.eu.

The Loan Originator's business model is based on a compact team of employees, using reputable third party outsourcing service providers (law firms, credit bureaux, etc.) where possible, as well as advanced IT systems that allow for fast processing and management of loan requests as well as of loans already issued, thus making the Issuer profitable even with small portfolio volumes. The business model of the Loan Originator provides for a wide range of potential business partners and a wide range of loan uses.

The Loan Originator is related to Debitum Investments and the Issuer, as the shareholders of the Loan Originator and their proportional shareholdings are identical to their shareholdings in Debitum Investments.

7.2. Borrower's Loans

Main lending criteria of the Loan Originator are the following:

- i. the loan is granted to small and medium sized enterprises from Latvia;
- ii. enterprises from all sectors are considered;
- iii. wide range of possibilities for the use of funds;
- iv. term: from 1 month to 5 years;
- v. total loan amount per client: EUR 5000 to EUR 2,500,000;
- vi. interest rate: 9% - 25%;
- vii. loan currency: EUR;
- viii. collateral: commercial pledge on the debtor's assets or shares, other types of pledges or guarantees;
- ix. use of funds to be specified prior to loan disbursement;
- x. repayment of loans is determined on the basis of the specific nature of the debtor's (the Borrowers) business. Most often monthly interest and principal payments according to a pre-agreed schedule.

7.3. Financial information

As the Loan Originator is incorporated on 30 March 2023 and has been in existence for less than one reporting period, the key financial indicators are presented from the date of registration (30 March 2023) to 29 February 2024.

The Loan Originator's complete operating balance sheet in the English is attached as Appendix 1 to this Base Prospectus.

Since Loan Originator's complete operating balance sheet was prepared, there have been no material changes in the financial condition or business operations of the Loan Originator which could materially affect an investor's decision to purchase the ABS except (1) issuance of the bonds (notes) in the amount of EUR 990,000 (nine hundred ninety thousand euro) and (2) issuance of the loan to the customers (the Borrowers) in the amount of EUR 1,960,100 (one million nine hundred sixty thousand one hundred euro).

The financial statements are prepared in accordance with the Latvian Generally Accepted Accounting Principles (GAAP).

In accordance with the Section 97(1) of the Law on the Annual Statements and Consolidated Annual Statements, the annual financial report must be prepared and submitted to the State Revenue Service of the Republic of Latvia not later than five months after the end of the reporting year, i.e. the 2023 financial report of the Loan Originator has been prepared and submitted until 31.05.2024. The translation of 2023 financial report of the Issuer in the English is available on the Platform (<https://debitum.investments/en/corporate-governance>).

7.4. Auditors

The voluntary auditors for the audited financial statements as of and for the financial year ended 31 December 2023 is SIA "Latimira un partneri", registration number in Latvia: 40103294769. The translation of the report of the auditors in the English is available on the Platform (<https://debitum.investments/en/corporate-governance>).

7.5. Litigation

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

7.6. Borrower's Loan issuance process

The process of assessing potential customers (debtors) of the Loan Originator upon receipt of an application consists of verifying the customer and obtaining data from public databases and reputable third party risk assessors (credit bureaux), verifying the available information, credit history, financial standing and experience and reputation of the shareholders and managers of the debtor. The Loan Originator assesses the potential client's business activities and business plan. After all the assessment processes have been successfully completed, the Loan Originator's Management Board decides whether to enter into cooperation and an offer is made to the debtor for a possible loan.

7.7. Issuance of the Borrower's Loan

The Borrower's Loan documentation is signed online with the qualified electronic signatures that are an electronic signatures that is compliant with EU Regulation No 910/2014 (eIDAS Regulation) or in a person at the office of the Loan Originator. All transactions are executed via partner banks. After the client signs the loan and collateral documents, the loan is disbursed to the Borrower's bank account. Repayments are made by the Borrower via partner banks.

7.8. Debt recovery

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

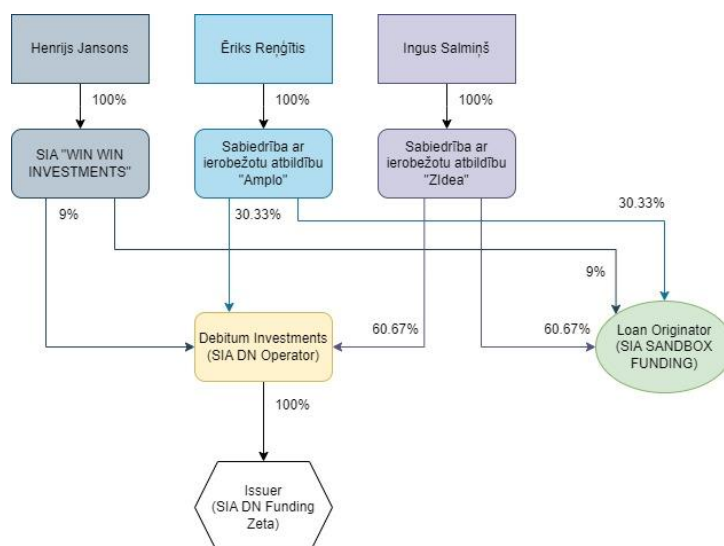
Before starting the debt collection process the Loan Originator is always trying to negotiate with the Borrower for voluntary repayment of the debt. The Loan Originator contacts the custom (the Borrower) to reach an agreement on the debt repayment procedure and term. In compliance with the terms of the agreement is regularly monitored and, if necessary, the Borrower is contacted again. A late interest payment and the contractual penalty is imposed on the Borrower for late payment. But if the Borrower avoids communicating and the debt repayment, the Loan Originator terminates the Borrower's Financing Agreement and starts the debt collection process. The Loan Originator uses out-source debt collection.

Debt recovery process usually takes 4-24 months. It depends on the complexity of the specific case, bailiff, the Register of Enterprises and the Land Register judge service and auction process. The average debt recovery duration might be 10 months.

7.9. Administrative, management and supervisory bodies

The Loan Originator's organisational structure consists of the Management Board and a Shareholders Meeting. The Management Board consists of one member.

The Management Board consists of one member - Henrijs Jansons. Henrijs Jansons has more than 10 years of experience in financial and fintech companies, managing processes and teams in financial IT systems development, credit origination, debt collection and fundraising. Henrijs Jansons is also the member of the Management Board of Debitum Investments, the Issuer, SIA DN Funding Alpha, SIA DN Funding Beta, SIA DN Funding Delta, SIA DN Funding Gamma and SIA DN Funding Epsilon and has previous experience in Creditreform Group, Eleving Group and Scandic Fusion. Henrijs Jansons studied at the Riga School of Economics in the Bachelor programme and is currently pursuing an EMBA degree at the Riga School of Economics.



60.67% shares in Loan Originator are held by sabiedrība ar ierobežotu atbildību "Zīda", registration number 40203138540, with the sole ultimate beneficial owner and shareholder being Ingus Salmiņš.

30.33% shares in Loan Originator are held by sabiedrība ar ierobežotu atbildību "Amplio", registration number 40103356486, with the sole ultimate beneficial owner and shareholder being Ēriks Reņģītis.

9% shares in Loan Originator are held by SIA "WIN WIN INVESTMENTS", registration number 50203436811, with the sole ultimate beneficial owner and shareholder being Henrijs Jansons.

The Loan Originator and Debitum Investments are sister companies. Both companies operate partly with a common purpose:

- i. the Loan Originator's objective is to grant loans to economic operators in order to offer securities directly or derivatively linked to the Loan Originator to the public through the Platform;
- ii. Debitum Investments is an investment firm licensed by the Bank of Latvia for the purpose of placing various securities on the Platform and offering such securities to potential investors.

8. BORROWER'S LOANS

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

All legal relations arising from the Borrower's Financing Agreements are governed by the laws and regulations of the Republic of Latvia. The jurisdiction in the Borrower's Financing Agreement are the court institutions of the Republic of Latvia and/or the Latvian Merchants Arbitration Court (www.nolemums.lv/site/). The underlying Borrower's Loans are issued under the loan agreement (the Borrower's Financing Agreement).

The Loan Originator's products for the purpose of the Base Prospectus are commercial loans.

In order to receive the Borrower's Loan, the Borrower shall submit an application to the Loan Originator for the Loan Originator's approval. The Loan Originator has no obligation to justify its refusal of the loan application.

Contractual payments paid by the Borrower to the Loan Originator include the principal amount of the loan, interest, contractual penalty (if any), statutory interest (if any), and loan issuance fee that may be payable by the Borrower as per conditions of the Borrower's Financing Agreements and may include other payments.

The Borrower's Loan can be utilised only for the purpose of the loan indicated in the Borrower's Financing Agreement.

In case of delay with making payments as per the conditions of the Borrower's Financing Agreements and until the fulfilment of the obligations by the Borrower, the Loan Originator is entitled to apply the late interest payment or the contractual penalty, and is entitled to apply the statutory interest after the termination of the Borrower's Financing Agreement. In case of the breach of certain provisions of the Borrower's Financing Agreement by the Borrower, the Loan Originator may apply a contractual penalty in the fixed amount.

The Borrower's Financial Agreement is subject to the amendment and/or variation from time to time (see paragraph 'Extensions' of the Section 4.2.1 'Cooperation Agreement Cooperation Agreement').

8.2. Repayment and maturity

Under the Borrower's Financing Agreement, the Borrower repays the principal and interest as per the deadlines set out in the Borrower's Financing Agreement. The Borrower makes the payments by transferring the funds to the Loan Originator's account and the payments are considered as completed at the moment when they are reflected in the Loan Originator's account.

The Borrowers are entitled to repay the Borrower's Loan in full or its part prior to the term specified in the schedule by making all payments due to the Loan Originator pursuant to the Agreement, including the late interest payments and the contractual penalties. If the Borrower's Loan is not repaid and the Borrower's Financing Agreement is terminated, then the Borrower shall continue to pay the statutory interest to the Loan Originator. The Borrower is entitled to apply for an extension of the period of the Borrower Loan. After the Loan Originator receives the application of the Borrower for an extension it shall immediately discuss the application and decide upon it. However, the Loan Originator has no obligation to approve the application of the Borrower.

8.3. Economic environment in Latvia

In 2024, GDP growth in Latvia is forecast to reach 2.4%. A marked slowdown in inflation and an acceleration in real wage growth are set to foster private consumption. A further increase in EU-funded investments is expected to continue boosting real investment. Export growth is projected to rebound as the inflation slowdown elsewhere in the EU boosts foreign demand. In addition, government consumption is set to be strong, in particular, to support the public wage bill. In 2025,

growth is expected to reach 3%, mainly driven by private consumption and exports. The contraction of the economy is set to slightly loosen up the labour market, as evidenced by recently falling job vacancies. However, the labour market is expected to tighten in 2024 and 2025 on the back of increasing demand, labour shortage, and falling supply due to aging. Nominal wage growth is set to stay strong in 2024 and 2025, supported by labour market tightness and increases in minimum wage and public wages. By 2024, inflation is expected to slow down to 3.2%, but HICP inflation excluding energy and food is projected to remain at 4.6% as services price growth is set to remain higher than the other components. In 2025, inflation is expected to decrease further to 1.9%. In 2024, the government deficit is projected to decrease slightly to 3.1% of GDP. The impact of the phasing-out of energy-related measures by the end of 2023 will be more than offset by additional expenditure measures foreseen for 2024, including public wage increases. In 2025, the government deficit is forecast to remain at 3.1% of GDP as both revenue and expenditure are expected to grow in line with nominal GDP.

8.4. General description of the Borrowers

The Loan Originator's customers (the Borrowers) are small and medium sized enterprises registered in Latvia from all types of sectors in need of additional financing.

Main characteristics of the financed transactions (as of 25 April 2024):

- i. amount of loans financed (including already repaid): EUR 8,414,039.79 (eight million four hundred fourteen thousand thirty nine euro and seventy nine cents);
- ii. average loan size: EUR 24,405.07;
- iii. weighted average loan maturity: 9.84 months;
- iv. weighted average interest rate: 13.21% p.a.;
- v. repayment of principal at the end of the loan term;
- vi. monthly interest payments;
- vii. transactions secured by a commercial pledge on the debtors' assets or shares or by a guarantee.

8.5. Loan portfolio data

As of 25 April 2024 the total portfolio of gross receivables of the Loan Originator was EUR 7,109,039.78 (seven million one hundred nine thousand thirty nine euro and seventy eight cents).

The quality of the Loan Originator's credit portfolio is assessed as good. Currently, no customers (the Borrowers) are delaying payments. The credit portfolio is also assessed on the basis of the lending policy, business model and other internal documents, including management experience and research on potential customers (the Borrowers).

9. TERMS AND CONDITIONS OF THE ABS

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

Save where the context requires otherwise, references in the Terms and Conditions to the ABS are to the ABS of one ABS only, not to all ABS 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 convenience of reference only and will not affect the interpretation of these Terms and Conditions.

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

9.1. Definitions

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

ABS	an asset-backed security issued or to be issued by the Issuer under this Programme
ABS Holder	a holder for the time being of any ABS
Aggregate Nominal Amount	the aggregate nominal amount of the ABS as specified in the Final Terms
Available Distribution Amount	the amounts received by the Issuer from the Series Specific Borrower's Loans
Backup Servicer	the legal entity (if any) engaged by the Issuer to service and administer the Borrower's Loans
Base Prospectus	the base prospectus in relation to the ABS
Borrower	the debtor of a Loan
Borrower's Payments	any payments made by the Borrowers under the Series Specific Borrower's Loans
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
Buyback Obligation	the obligation, if any payment under any of the relevant Borrower's Loans is delayed by more than 90 days, for the Loan Originator to repurchase the relevant Loan Receivables from the Issuer
Claim Portfolio Assignment Agreement	part of the Cooperation Agreement relating to the purchase (acquiring) by the Issuer and sale (assignment) by the Loan

	Originator of the Loans
Cooperation Agreement	the cooperation agreement between the Issuer, the Loan Originator and Debitum Investments in relation to the ABS, and in relation to the asset-backed securities issued under other programmes
Debitum Investments	SIA DN Operator, a limited liability company (in the Latvian: <i>sabiedrība ar ierobežotu atbildību</i>) registered under the registration number 42103092209 in the Commercial Registry of Latvia (in the Latvian: <i>Komercreģistrs</i>) on 9 April 2019, an investment firm (in the Latvian: <i>ieguldījumu brokeru sabiedrība</i>) licensed by the Bank of Latvia, which provides investment and related services to the Investors through the Platform
Final Terms	the final terms of the ABS
Grace Period	the number of days specified in the Final Terms relating to any grace period in the Series Specific Borrower's Loans for bank-to-bank payments, national holidays and specific debt collection policies of the Loan Originator
Interest	the interest under the ABS or the Series Specific Borrower's Loans
Interest Accrual Periods	the periods during which Interest accrues on the ABS as specified in the Final Terms
Interest Payment Date	each date on which Interest is payable under the ABS as specified in the Final Terms
Interest Rate	the rate at which Interest accrues on the ABS as specified in the Final Terms
Investment Accounts	the Investor's separate account with Debitum Investments
Issue Date	the issue date of the ABS being the date on which the ABS are first made available for subscription as specified in the Final Terms
Issuer	SIA DN Funding Zeta, a limited liability company (in the Latvian: <i>sabiedrība ar ierobežotu atbildību</i>) registered under the registration number 40203526691 in the Commercial Registry of Latvia (in the Latvian: <i>Komercreģistrs</i>) on 7 December 2023, a special purpose entity whose principal purpose is the issue of the ABS
Late Payment Interest	the Interest on any principal amount due but not paid under any Series Specific Borrower's Loans which is calculated at the rate (the Late Payment Interest Rate) specified in the Final Terms on the principal amount due (if any)
Loan Originator	SIA SANDBOX FUNDING, a limited liability company (in the Latvian: <i>sabiedrība ar ierobežotu atbildību</i>) registered under the registration number 40203473712 in the Commercial Registry of Latvia (in the Latvian: <i>Komercreģistrs</i>) on 30 March 2023, legal entity identifier: 894500FHOFZYE75TV978, registered address: Ūnijas iela 8 k-7, Riga LV-1084, Latvia
Loan Final Repayment Date	the scheduled final repayment date of the Series Specific Borrower's Loans as specified in the Final Terms
Loan Interest Payment Date	each date on which Interest is payable under the Series Specific Borrower's Loans as specified in the Final Terms
Loan Interest Rate	the rate at which Interest accrues on principal amount outstanding of

	the Series Specific Borrower's Loans as specified in the Final Terms
Loan Receivables	the receivables of the Loan Originator under the Series Specific Borrower's Loans which have been assigned to the Issuer, being 90% of the principal amount outstanding of the relevant Series Specific Borrower's Loans
Loan Repayment Date	each date on which the Series Specific Borrower's Loans are redeemed as specified in the Final Terms.
Maturity Date	the scheduled maturity date of the ABS as specified in the Final Terms
Pending Payments Penalty Fee	the fee on any amounts due to the Issuer from the Loan Originator under any of the Transaction Documents at the interest rate specified in the Final Terms (if any)
Priority of Payments	the priority of payments set out in Clause 7
Redemption Date	each date on which the ABS are redeemed as specified in the Final Terms
Series	ABS with the same Issue Date and the same Terms and Conditions (including as to the Series Specific Borrower's Loans) and identified in the relevant Final Terms as forming a series
Series Specific Borrower's Loan	each loan agreement (the Borrower's Financing Agreement) between the Loan Originator and the Borrower as specified in the applicable Final Terms
Specified Currency	the currency of the ABS as specified in the Final Terms
Specified Denominations	the specified denominations of the ABS as specified in the Final Terms
Transaction Documents	the Cooperation Agreement and the Claim Portfolio Assignment Agreements

9.2. UNDERTAKINGS OF THE ISSUER

The undertakings in this Clause 9.2 remain in force for so long as any of the ABS are outstanding.

9.2.1. Authorisations and compliance with laws

The Issuer will promptly obtain, comply with and do all that is necessary to maintain in full force and effect any authorisation required under any law or regulation of Latvia to enable it to perform its obligations under the ABS 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.

9.2.2. Negative covenants

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

- i. sell, transfer, create any security over or otherwise dispose of any of the Loan Receivables;
- ii. incur or permit to be outstanding any financial indebtedness;
- iii. be the creditor in respect of any loan or any form of a credit to any person, other than the Loan Originator or as permitted under the Transaction Documents;
- iv. 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;

- v. carry on any business other than as a special-purpose pass-through undertaking established for the purpose of issuing and offering the ABS, which are backed by the Loan Receivables, to the Investors on the Platform; or
- vi. use the Issuer's cash for any purpose other than as provided in these Terms and Conditions and the Transaction Documents.

9.3. GENERAL

- 9.3.1.** The Issuer under these Terms and Conditions together with the corresponding Final Terms has authorised the creation, issue and sale of the ABS to provide funds to the Issuer to purchase Loan Receivables in accordance with the Claim Portfolio Assignment Agreement.
- 9.3.2.** Subject to Clause 9.26, the Issuer will obtain the title to the Loan Receivables on the condition that Debitum Investments has determined that it has all the data it requires in relation to the Loan Receivables in accordance with the Claim Portfolio Assignment Agreement.
- 9.3.3.** In each case where amounts of principal, Interest, other return and additional amounts (if any) are payable in respect of the ABS, the obligations of the Issuer to make any such payment will constitute an obligation only to account to the ABS Holder on each date on which such amounts are due, for an amount equal to amounts of principal, Interest, other return and additional amounts (if any) actually received by the Issuer in relation to the Series Specific Borrower's Loans.
- 9.3.4.** Neither the Issuer nor Debitum Investments are liable to make any payments in respect of the ABS other than as expressly provided in these Terms and Conditions.
- 9.3.5.** Save for any fees payable to the Loan Originator, Debitum Investments and the Backup Servicer (if any), so far as the Issuer is aware, no person involved in the issue of the ABS has an interest material to the offer of the ABS.

9.4. STATUS

- 9.4.1.** The ABS 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.
- 9.4.2.** No proprietary or other direct interest in the Issuer's rights under or in respect of any of the Transaction Documents, the Claim Portfolio Assignment Agreement, and the Loan Receivables, exists for the benefit of the ABS Holders. Subject to these Terms and Conditions, no ABS Holder will and will have any right to enforce any of the Transaction Documents and the Loan Receivables, or any direct recourse to any of the Loan Originator, the Borrowers.

9.5. FORM

- 9.5.1.** The ABS are issued by the Issuer in registered form which are deposited and held as book entry with Debitum Investments.

9.6. ISSUE OF ABS

- 9.6.1.** The ABS are issued on the Issue Date in the Aggregate Nominal Amount, the Specified Denominations and the Specified Currency as specified in the Final Terms.

9.7. REGISTER, TITLE AND TRANSFERS

- 9.7.1.** Debitum Investments maintains an electronic register of the ABS Holders in accordance with the Cooperation Agreement. No certificates will be issued to any ABS Holders in respect of its holding.
- 9.7.2.** Each ABS Holder will (except as otherwise required by law) be treated as the absolute owner of any relevant ABS for all purposes (whether or not it is overdue and regardless of any notice

of ownership, trust, nominee ship or any other interest in the ABS), and no person will be liable for so treating the ABS Holder.

9.7.3. The ABS are held and might be transferred only between the financial instrument accounts at Debitum Investments of the Investors. No application has been or will be made to trade the ABS on any regulated market or any other trading venue, other than the Platform.

9.7.4. A transfer of any ABS between the Investors may be affected by Debitum Investments 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 Investor in accordance with terms and conditions of the Platform.

9.8. PRIORITY OF PAYMENTS

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

- i. 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 ABS;
- ii. second, in payment or satisfaction of all fees and penalty fees then due and unpaid to Debitum Investments by the Loan Originator under the Cooperation Agreement;
- iii. 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 if:
 - a. the Issuer or any person designated by the Issuer has taken over the servicing of the Loan Receivables or
 - b. any event of default of the Loan Originator has occurred under any of the Transaction Documents and the Issuer acts for the purposes of recovery of funds includes filing a claim in the liquidation, insolvency or other administrative proceedings of the Loan Originator, or enforcing any legal rights;
- iv. 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 taking any other actions to receive the Loan Receivables;
- v. fifth, in or towards payment or discharge of all amounts which are due to the Backup Servicer, if any;
- vi. sixth, to the ABS Holder in or towards the payment or discharge of all amounts of Interest and principal (Late Payment Interest or penalty fee or other assigned claim, if any, in the order that is set forth with respect to the particular Loan Receivable) then due and payable under or in respect of Series, Buyback Obligation prices, unless the Buyback Obligation price is discharged next according to 7 (vii) below. Such payment/discharge being done by placing Series Specific Borrower's Loans of all Series outstanding in the chronological order from the Series Specific Borrower's Loans having oldest Payment Event to the Series Specific Borrower's Loans having newest Payment Event, and then applying *pro rata* approach on each particular Series level; and
- vii. seventh, to the ABS Holders in or towards the payment of the Buyback Obligation price, if the Loan Originator is late in making payments due to the Issuer for 14 (fourteen) days or another period that the Issuer finds material. Such payment/discharge being done by placing Series Specific Borrower's Loans of all Series outstanding in the chronological order from the Series Specific Borrower's Loan having oldest buyback related Payment Event to the Series Specific Borrower's Loan having newest buyback related Payment Event, and then applying *pro rata* approach on each particular Series level; and

- viii. eight, to the ABS Holders in or towards the payment of ABS *pro-rata* portion of the Pending Payments Penalty Fee (if any). Such *pro-rata* portion shall be applied towards all impacted Series.

Neither the Issuer nor Debitum Investments will be liable for applying the Priority of Payments, including for any minor errors, pursuant to Clause.

9.9. INTEREST

9.9.1. Payment of Interest

Each ABS bears Interest from (and including) the date on which the ABS is subscribed by the ABS Holder. Interest will be calculated in accordance with Clause 9.9.2 and 9.9.3, and payable in the Specified Currency in arrears on each Interest Payment Date.

9.9.2. Accrual of Interest

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

$\text{Loan Interest Rate} \times \text{Series Specific Borrower's Loan Principal Amount Outstanding} \times \text{Day Count}$

Where:

Series Specific Borrower's Loan Principal Amount Outstanding, is the principal amount of the Series Specific Borrower's Loans which is scheduled to be outstanding (even if the principal amount is redeemed later) on the day immediately before the Loan Interest Payment Date which is immediately before the Interest Payment Date.

Day Count, unless otherwise specified in the Final Terms, the actual number of days in the immediately preceding Interest Accrual Period, divided by 360.

9.9.3. Accrual of Late Payment Interest

The Late Payment Interest (if specified as being applicable in the Final Terms) payable on any day on which the Issuer receives the Principal Amount Due in respect of each ABS is as follows:

$\text{Late Payment Interest Rate} \times \text{Principal Amount Due} \times \text{Day Count}$

Where:

Principal Amount Due, is the principal amount of a Series Specific Borrower's Loan which was due on the Loan Repayment Date but not paid under the relevant Series Specific Borrower's Loan provided that there will be no Principal Amount Due if paid within the Grace Period; and

Day Count, unless otherwise specified in the applicable Final Terms, the actual number of days from (but excluding) the day on which the Principal Amount Due becomes due to (but excluding) the day on which the Issuer receives the Principal Amount Due or, if the Buyback Obligation or Repurchase applies, the relevant Payment Event, divided by 360.

Any payment of Interest or Late Payment Interest will be made only in accordance with Clause 7, 9.12 and 9.26, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Borrower's Loans.

9.10. PRINCIPAL REDEMPTION

9.10.1. Redemption at maturity

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

9.10.2. Early Redemption

A proportion of the Principal Amount Outstanding of the ABS will be redeemed *pro rata* on each Redemption Date and at any other time any principal payment from any of the Series Specific Borrower's Loans is received by the Issuer, without any prior notice to the ABS Holders. The Principal Amount Outstanding of the ABS redeemed will be in the same proportion as the proportion

that the principal payment received by the Issuer has to the total principal amount outstanding of all the Series Specific Borrower's Loans immediately before the principal payment. Any accrued but unpaid Interest associated to that proportion of the Principal Amount Outstanding of the ABS being redeemed will be paid at the same time. For the avoidance of doubt if the Principal Amount Outstanding of the ABS is redeemed, the nominal amount of each ABS (as specified in Final Terms) is constant and remains unchanged. Any repayment of the Principal Amount Outstanding will be made only in accordance with Clause 7, 9.12 and 9.26, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Borrower's Loans.

9.11. INTEREST AND PRINCIPAL DETERMINATION

9.11.1. Debitum Investments determines (i) the amount of Interest and the Late Payment Interest (if any) payable in accordance with Clause 9.9 for each Interest Payment Date and (ii) the amount of principal payable in accordance with Clause 9.10 on each Redemption Date and the Maturity Date, on its review of the following information:

- i. the Payment Events which have arisen;
- ii. aggregate payment amounts paid by the Borrowers which have been received from the Loan Originator;
- iii. the Buyback Obligation have arisen; and
- iv. the amounts then due and owed by the Issuer according to the Priority of Payments on the Interest Payment Date, the Redemption Date or the Maturity Date.

9.11.2. On each Interest Payment Date, each Redemption Date and the Maturity Date, Debitum Investments on the Issuer's behalf will direct the payment of Interest and principal amounts to the ABS Holders in accordance with Clause 9.12.

9.11.3. If after application of the Priority of Payments the Issuer has insufficient funds on any Interest Payment Date, any Redemption Date or the Maturity Date to make a payment of Interest or principal in full as required by Clause 9.9 and 9.10, on behalf of the Issuer, Debitum Investments at its sole discretion may decide that the Issuer pays part of the amount due or defers the payment until the full amount due is available, and such partial payment or deferral will not constitute an Event of Default under these Terms and Conditions.

9.11.4. All determinations, calculations and adjustments made by Debitum Investments 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 ABS Holders.

9.12. PAYMENTS

9.12.1. Payments of Interest and principal

Subject to Clause 9.8 and 9.13, the Issuer will, from any Available Distribution Amount: (a) pay the Interest on the ABS in accordance with Clause 9.9 on each Interest Payment Date; and (b) redeem the ABS in accordance with Clause 9.10 on each Redemption Date and the Maturity Date.

9.12.2. ABS contingent payments

All payments of Interest and principal by the Issuer under the ABS 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 ABS will not give rise to the Issuer having any payment obligation in excess of the foregoing. Any overdue payment of Interest or principal under any of the Series Specific Borrower's Loans that have been collected by the Loan Originator (including by its external debt collection agency) will be paid to the Issuer as an Available Distribution Amount which will be paid in accordance with the Priority of Payments on the date determined by the Issuer at its sole discretion.

9.12.3. Pending Payments

Penalty Fee If, following any Payment Event, the Loan Originator delays any payments due to the Issuer under any of the Transaction Documents by more than 7 days, the Loan Originator will pay to the Issuer the Pending Payments Penalty Fee.

9.12.4. Borrower's Loan extension

The Loan Originator may modify any of the Series Specific Borrower's Loans without approval of the Issuer and the ABS Holder, provided that payments from the relevant Borrower remain unchanged. The Loan Originator may also extend the repayment schedule of one or more Series Specific Borrower's Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer or the ABS Holders 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 ABS Holders.

9.12.5. Loan Receivables subject to Buyback Obligation

Any Loan Receivable subject to the Buyback Obligation will be repurchased by the Loan Originator at a price equal to the outstanding principal amount of the Loan Receivable together with any accrued but unpaid Interest and any Late Payment Interest up to (but excluding) the repurchase date.

9.12.6. Insufficient funds on the Maturity Date

If any amounts on the ABS are outstanding on the Maturity Date, the Maturity Date will be automatically postponed to the date that is the earlier of (a) the date on which all amounts due and payable under the ABS are paid and (b) the date referred to in Clause 9.12.7, and the Interest will not accrue on the ABS (other than Pending Payments Penalty Fee, if applicable) and any Available Distribution Amount will be paid to the ABS Holder on a date as reasonably determined by the Issuer in accordance with the Priority of Payments.

9.12.7. After the Maturity Date

If on any date following the Maturity Date, the Issuer and Debitum Investments determines in good faith that there is no realistic prospect of collecting any further funds from the Loan Originator if the Series Specific Borrower's Loans are subject to the Buyback Obligation, but the Issuer has not received the full amount due from the Buyback Obligation or, if earlier, on the 10th anniversary of the Maturity Date, as of that date

- i. all the ABS 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 ABS Holders and
- iii. no ABS Holder will have any right in respect of any of the ABS.

9.12.8. Payments to the ABS Holders

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

9.12.9. Taxes

All payments and/or deliveries in respect of the ABS 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 Debitum Investments will:

- i. not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the ABS Holders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted;
- ii. not be liable for or otherwise obliged to pay, and the relevant ABS Holder 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 60 delivery) in respect of the ABS held by such ABS Holder; and

- iii. 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 ABS Holder, such amount or portion as will be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

The ABS Holder will agree to provide the Issuer and/or Debitum Investments with all information and documentation required by the Issuer and/or Debitum Investments, as the case may be, to satisfy any Latvian or other country tax or regulatory obligations at any time.

9.12.10. Payments on Business Days

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

9.13. LIMITED RECOURSE AND NON-PETITION

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

9.13.2. All payments to be made by the Issuer in respect of the ABS 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 Borrower's Loans, subject always to the Priority of Payments.

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

9.13.4. To the extent that the sums referred to in Clause 9.13.1 are less than the amount which the ABS Holder may have expected and been entitled to receive (such difference being referred to as the shortfall), the shortfall will be borne by the ABS Holders.

9.13.5. Each ABS Holder, on subscribing or buying any ABS directly, irrevocably accept and acknowledge that it is fully aware that:

- i. only the sums referred to in this Clause 9.13, Clause 9.8 and 9.12 will be available for any payments to be made by the Issuer in respect of the ABS;
- ii. the sums which are attributable to another Series of the ABS are only available in satisfaction of the obligations of the Issuer to such ABS Holders;
- iii. the obligations of the Issuer to make payments in respect of the ABS will be limited to the sums and the ABS Holders will have no recourse to the Issuer, Debitum Investments or their respective shareholders, directors, officers, employees, affiliates, successors or assigns in respect of the ABS for the shortfall;
- iv. no ABS Holder is entitled to proceed against the Issuer or Debitum Investments for the shortfall;
- v. following the realisation and distribution of the net proceeds from the Loan Receivable corresponding to the Series Specific Borrower's Loans in accordance with the Priority of Payments, the ABS Holders or anyone acting on behalf of any of them will not be entitled to take any further steps against the Issuer or Debitum Investments to recover any further sum and the right to receive any such further sum will be deemed as fulfilled; and

- vi. no ABS Holder 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.

9.13.6. Non-payment of the shortfall referred to in this Clause 9.13 will not constitute an Event of Default.

9.13.7. None of the shareholders of the Issuer, Debitum Investments, the Loan Originator, the Backup Servicer has any obligation to any ABS Holder for payment of any amount by the Issuer in respect of the ABS.

9.13.8. The provisions of this Clause 9.13 will survive redemption of the ABS.

9.14. PURCHASE

9.14.1. The Issuer may at any time purchase the ABS at any price in the open market or otherwise. Any ABS purchased by the Issuer on the sole discretion of the Issuer may be cancelled by Debitum Investments.

9.15. CANCELLATION

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

9.16. PRESCRIPTION

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

9.17. FURTHER ISSUES

The Issuer may from time to time without the consent of the ABS Holders create and issue further Series and further tranches of existing Series of the ABS

A further tranche of an existing Series will:

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

9.18. EVENTS OF DEFAULT

9.18.1. Any of the following events will constitute an event of default under the ABS (each, an Event of Default):

- i. 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
- ii. formal notice is given of an appointment an administrator (including any receiver, liquidator, auditor, verifier), provisional administrator; or
- iii. any application is made, or petition is lodged, or documents are filed with the court or administrator in relation to the Issuer for the actions, proceeding or procedures specified in paragraphs (i) or (ii) above, unless such proceedings or petitions are disputed in good faith and are discharged, stayed or dismissed within 120 calendar days of commencement.

- 9.18.2.** The Issuer is obliged to inform Debitum Investments immediately if any Event of Default should occur. Should Debitum Investments not receive such information, Debitum Investments is entitled to assume that no Event of Default exists or can be expected to occur, provided that Debitum Investments does not have knowledge of any Event of Default. Debitum Investments is under no obligation to make any investigations relating to any Event of Default. The Issuer will, at the request of Debitum Investments, provide Debitum Investments with details of any Event of Default and provide Debitum Investments with all documents that may be of significance for the application of this Clause 9.18.
- 9.18.3.** If Debitum Investments has been notified by the Issuer or has otherwise determined that there is an Event of Default, Debitum Investments will, within 15 Business Days of the day of notification or determination, notify the ABS Holder according to Clause 9.21.
- 9.18.4.** Upon the occurrence of an Event of Default, the ABS are repaid 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.
- 9.18.5.** Debitum Investments, subject to the ABS Holders indemnifying and holding Debitum Investments harmless from any reasonable expenses, loss or liability, will take every reasonable measure necessary to recover the amounts outstanding under the ABS according to their terms and conditions and Transaction Documents. Debitum Investments will in each case inform the ABS Holders about the costs which should be compensated prior to requesting any indemnification. In any case Debitum Investments will charge this compensation of costs only up to the recovered amount. Debitum Investments will not ask for compensation of costs for its in-house staff and resources.
- 9.18.6.** 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 Borrower's Loans so that the Available Distribution Amount after application of the Priority of Payments is not enough to make payments due under the ABS in full, the occurrence of such event will, as such, not constitute an Event of Default.

9.19. MEETING OF ABS HOLDERS

9.19.1. General provisions

The Issuer from time to time may convene a meeting of the ABS Holders (the **Meeting**) to adopt resolutions on certain matters. The Issuer at its own discretion decides which matters will be reserved for passing at the Meeting. These provisions permit defined majorities to bind all ABS Holders including the ABS Holders who did not attend and vote at the Meeting or in respect of the relevant resolution and ABS Holders who voted in a manner contrary to the majority. As a result, the ABS Holders may be bound by a change to these Terms and Conditions or by some other decision that affects ABS Holders' investment in the ABS even though they have not agreed to such change.

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

- i. at a meeting held by attendance of the ABS Holders to discuss the items on the agenda and pass resolutions on the matters put to the vote using ballots provided; or
- ii. by absentee voting (without attendance of the ABS Holders to discuss the items on the agenda and pass resolutions on the matters put to the vote). The Meeting will be chaired, and minutes taken by a representative of Debitum Investments.

9.19.2. Resolutions of the Meeting

Matters put to the vote at a Meeting and its agenda will be decided by the Issuer. The ABS Holders may neither pass resolutions on the matters not included in its agenda nor amend the agenda. Resolutions passed by the Meeting and voting results will be provided to the persons eligible to

participate in the Meeting in a report, which will be disclosed to the ABS Holders as per the procedure prescribed with regard to sending notices of the Meeting, within 10 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 ABS Holders, whether or not present at the Meeting and each of them will be bound to give effect to it accordingly.

9.19.3. Information on holding a Meeting

The Issuer will notify the ABS Holders about the Meeting in accordance with the procedure below. A notice of the Meeting (the **Notice**) will be given according to Clause 9.21 no later than 10 days in advance. The Notice will be given to the ABS Holders registered on the date of the Notice in the electronic register of the ABS Holders maintained by Debitum Investments. The Issuer may decide not to publish the Notice on the Platform. In such a case within the time specified in this Clause 9.19.3 the Issuer will send the Notice to the ABS Holders by email. The Issuer may at its own discretion make available information to the ABS Holders entitled to participate in the Meeting as part of preparations for the Meeting.

9.19.4. Quorum at a Meeting

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

- i. the aggregate Principal Amount Outstanding of all Series of the ABS towards the Loan Originator on the date of the ABS if the decision is related towards all Series of the ABS outstanding; or
- ii. the aggregate Principal Amount Outstanding of the relevant Series of the ABS on the date of the ABS if the decision is related towards the relevant Series of the ABS outstanding.

The number of votes for each ABS Holder equals the Principal Amount Outstanding in the respective Series on the date of the ABS. When a Meeting is held by attendance of the ABS Holders to discuss the items on the agenda and pass resolutions on the matters put to the vote, the ABS Holders registered to participate in the Meeting and the ABS Holders whose ballots have been received no later than 2 days before the meeting will be deemed to have participated in the Meeting.

When a Meeting is held in the form of absentee voting, the ABS Holders 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 Meeting, a second Meeting will be held with the same agenda. Such second Meeting will be deemed quorate if attended by ABS Holders aggregately holding more than 30% of:

- i. the aggregate Principal Amount Outstanding of all Series of the ABS towards the Loan Originator on the date of the Notice if the decision is related towards all Series of the ABS outstanding; or
- ii. the aggregate Principal Amount Outstanding of the relevant Series of the ABS on the date of the Notice if the decision is related towards the relevant Series of the ABS outstanding.

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

9.19.5. Voting ballots

Ballots for voting at a Meeting will be sent together with the Notice according to Clause 9.19.3.

Ballots for voting will be in the English language. Voting could be convened as an e-voting through filling-out an electronic voting ballot through the interface of the Platform.

The ABS Holders included in the list of those entitled to participate in the Meeting other than the 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 Meeting.

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

- i. information about the Issuer, including address and contact person;
- ii. details identifying the Series of the ABS;
- iii. form of the Meeting (attendance or by absentee voting);
- iv. date, place and time of the Meeting if it is held in the form of attendance of the ABS Holders;
- v. Principal Amount Outstanding; and
- vi. 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 Meeting or its representative unless convened by evoting.

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, 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 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.

9.19.6. Counting

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

9.20. SUBSTITUTION

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

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

9.20.3. Any such substitution will be notified to ABS Holders in accordance with Clause 9.21.

9.21. NOTICES AND PROVISION OF INFORMATION

9.21.1. Notices to the ABS Holders 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:

- i. emailed to respective email addresses in the register of the ABS Holders and deemed to have been given within 24 hours after the dispatch; and

- ii. delivered to Debitum Investments for further communication to the ABS Holder according to the services provision agreement between Debitum Investments and the ABS Holder (including times when deemed to have been duly given).

9.21.2. Any notices, demands, claims or other communication to the Issuer by any ABS Holder will be in the English language and will be given by using one of the following communication channels: (a) delivered by hand or courier and deemed to have been given on the same day of delivery; and (b) delivered by registered mail and deemed to have been given on the 10th calendar day following the date indicated on the stamp by the postal service provider on the acceptance of a registered letter.

9.21.3. For the purposes of Clause 9.21.2 notices or other communications addressed to the Issuer will be given to Debitum Investments, serving as an agent for this purpose: SIA DN Operator, Ūnijas iela 8 k-7, Riga LV-1084, Latvia (for the attention of SIA DN Funding Zeta)

9.22. AGENTS

9.22.1. Debitum Investments acts solely as an agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any ABS Holder.

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

9.23. FORCE MAJEURE

Neither the Issuer nor Debitum Investments will be responsible for any failure to perform any of its respective obligations under these Terms and Conditions which is due to any reason that is independent on that person's will and has resulted from a force majeure event.

A force majeure event will apply only and solely if that person has taken all steps that depend on it 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:

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

9.24. GOVERNING LAW AND JURISDICTION

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

9.24.2. 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 ABS (including any disputes relating to any noncontractual obligations arising out of or in connection with the ABS) and

accordingly any legal action or proceedings arising out of or in conjunction with the ABS may be brought in such courts. The Issuer and each of the ABS Holder irrevocably submits to the jurisdiction of such courts.

9.25. AMENDMENTS AND MODIFICATIONS

9.25.1. 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 (www.debitum.investments) without the consent of the ABS Holders.

9.26. LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE ABS HOLDER

9.26.1. Notwithstanding anything in the Base Prospectus, other than with respect to gross negligence or willful misconduct by the Issuer and/or Debitum Investments, neither the Issuer nor Debitum Investments will be held liable by any ABS Holder for:

- i. any material error, misrepresentation, omission or fraud by the Loan Originator;
- ii. failure of the Loan Originator for whatever reason to inform the Issuer and/or Debitum Investments of the Payment Event having occurred or for the information being inaccurate or wrong;
- iii. the Loan Receivables; or
- iv. determinations and decisions when distributing amounts under the ABS, 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 Borrower's Loan, including in the event of default of the Loan Originator.

9.26.2. In any and all cases liability of the Issuer and/or Debitum Investments to any ABS Holder under these Terms and Conditions will be limited to the amount invested in the impacted ABS by the ABS Holder.

9.26.3. Each ABS Holder, on subscribing or buying any ABS directly irrevocably accept and acknowledge that it is fully aware that:

- i. the Issuer and Debitum Investments 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 any Borrower of its obligations under the relevant Series Specific Borrower's Loan, the Loan Originator of its obligations under the Cooperation Agreement, or the recoverability of any sum of the principal, Interest, other return or any additional amounts (if any) due or to become due from any Borrower or the Loan Originator;
- ii. the Issuer and Debitum Investments will not at any time have any responsibility for, or obligation or liability in respect of, the condition, financial or otherwise, covenant, creditworthiness, affairs, status or nature of any Borrower, the Loan Originator or any other person;
- iii. the Issuer and Debitum Investments will not at any time be liable for any representation or warranty, or any act, default or omission of any Borrower, the Loan Originator or other person;
- iv. the Issuer will not at any time have any responsibility for, or liability or obligation in respect of, the performance and observance by Debitum Investments of its obligations under the Transaction Documents or any other agreement entered or to be entered into by and between the ABS Holders and Debitum Investments;
- v. financial servicing and performance of the terms of the ABS depend upon both the performance by each Borrower of its obligations under the Series Specific Borrower's Loan, its duties to make payments under the Series Specific Borrower's Loan and its credit and

financial standing, and the performance by the Loan Originator's contractual obligations towards the Issuer and Debitum Investments as well as their respective credit and financial standing;

- vi. the ABS, which the ABS Holder has or will acquire, reflect the performance of the relevant Series Specific Borrower's Loans. The ABS Holder has no direct recourse to the any of the Series Specific Borrower's Loans or the corresponding Loan Receivables. Once the Loan Receivables have been realised according to these Terms and Conditions, the ABS Holder is not entitled to take any further steps against the Issuer or Debitum Investments to recover any further sums due and the right to receive any such sum will be extinguished. The ABS Holder accepts not to attach or otherwise seize any of the assets of the Issuer. In particular, the ABS Holder 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; and
- vii. the Investment Accounts will be opened and be held by the ABS Holder fully operational with Debitum Investments while the ABS Holder holds any ABS.

10. TAXATION

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

Tax laws of the ABS Holder'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 ABS.

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

Latvia has entered into a number of tax conventions on elimination of double taxation (the **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 ABS Holder, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion", adopted on 30 April 2001.

10.1. Taxation of the Issuer

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

10.2. Taxation of the ABS Holders individuals

Resident individuals

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

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

In accordance with the Latvian tax laws the interest income received by the individual tax resident in Latvia is subject to tax at the rate of 20%. The personal income tax will be withheld by the Issuer before the Interest payment is made by the Issuer to the ABS Holder. The tax withheld by the Issuer is a final tax liability on the interest income received.

The income from the sale of the ABS is treated as an income similar to the interest income for the Latvian personal income tax purposes and will be subject to 20% personal income tax and the tax is payable by the individual him/herself.

Non-resident individuals

An individual will be considered as a non-resident of Latvia for taxation purposes in all cases unless he/she is a tax resident of Latvia. Interest income from the ABS received by the non-resident individual will be subject to personal income tax in Latvia according to the rate set forth by law, which is currently 20%. However, if the non-resident is a tax resident in a European Union or European Economic Area country and has submitted to the Platform (and Platform has accepted) valid self-certification confirming the tax residence in the respective European Union or European Economic Area country, the tax rate applicable in Latvia will be 5%.

The personal income tax will be withheld by the Issuer or Debitum Investments before the Interest payment is made by the Issuer to the ABS Holder.

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

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

The income from the sale of the ABS will be subject to 20% tax and the tax would be payable by the individual him/herself if the buyer of the ABS is an individual or legal entity non-resident of Latvia. If the buyer is a legal entity - resident of Latvia, the tax at the rate of 3% will be withheld by the buyer from the remuneration paid.

10.3. Taxation of the ABS Holders legal entities

Resident legal entities

A legal entity would be considered as a resident of Latvia for tax purposes if it is established pursuant to Latvian law. Interest payments on the ABS and proceeds from the disposal of the ABS received by Latvian resident legal entities will not be subject to withholding tax in Latvia. Under the Latvian tax law retained earnings are exempt from corporate income tax and only profit distributions are taxed. Distributed gross profits are subject to the 20% profit tax. Corporate income tax on net amount of profit distribution is determined by dividing net amount with a coefficient of 0.8 (i.e., effective tax rate on net distributed profit is 25%).

Non-resident legal entities

A legal entity would be considered as a non-resident of Latvia for tax purposes in all cases unless it is a tax resident of Latvia. The interest income and capital gains from the sale of the ABS for non-resident legal entities will not be taxable in Latvia (i.e., gross income will be paid), except if the income recipient is located, registered or incorporated in a no-tax or low-tax country (so called "tax havens"; if this is the case - 20% tax will be withheld by the Issuer in Latvia). The list of "tax havens" according to the Latvian law includes US Guam, US Samoa, US Virgin Islands, Republic of Fiji, Republic of Palau, Republic of Panama, Independent State of Samoa, Republic of Trinidad and Tobago, Republic of Vanuatu, the Commonwealth of the Bahamas, Anguilla, Turks and Caicos Islands. The list of mentioned countries and territories may be amended from time to time.

11. APPLICABLE FINAL TERMS

The form of Final Terms that will be issued in respect of each Series of the ABS, subject only to the deletion of nonapplicable provisions, is set out below. The completed Final Terms for each Series of the ABS, which are described in this Base Prospectus as the "Final Terms" will be published on the Platform (www.debitum.investments).

Final Terms dated [date] [month] [year]

SIA DN Funding Zeta (the Issuer)

registration number in Latvia: 40203526691
legal entity identifier: 894500NYE30AQD6XRP69

Series [...] EUR [...] ABS (asset-backed securities)

relating to the Borrower's Loan issued by SIA SANDBOX FUNDING (the Loan Originator)

Terms used herein will be deemed to be as defined in the Base Prospectus dated [date] [year] 2024 for the purposes of Prospectus Regulation, in respect of the ABS issued by the Issuer. This document constitutes the Final Terms of the ABS 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 the ABS is only available based on a combination of these Final Terms and the Base Prospectus (as so supplemented). The Base Prospectus (and the supplements, if any) is available for viewing on the Platform (www.debitum.investments).

The summary of the individual issue of the ABS is annexed to these Final Terms as Appendix 1.

PART A – CONTRACTUAL TERMS I

Information concerning the ABS to be offered to the public

Series	[...]
ISIN Code	LV[...]
Specified Currency	EUR (euro)
Aggregate Nominal Amount	[...]
Specified Denominations	The Series Aggregate Nominal Amount is divided into [...] ABS. Nominal amount of the ABS is EUR 0.01 (one cent).
Issue Price	100% of the ABS nominal amount
Offer Price of 1 (one) ABS	EUR 0.01 (1 cent) or Principal Amount Outstanding of 1 (one) ABS
Issue Date	[...]
Maturity Date	[...]
Interest Rate	[...] % per annum

Interest Accrual Periods	From the next day after the ABS purchase date up to the Borrower's Loan Repayment Date.
Interest Payment Date(s)	Up to 10 Business Days after the corresponding Borrower's Loan Interest Payment Date and subject to the actual receipt by the Issuer of the relevant payment in relation to the Borrower's Loan from the Loan Originator
Redemption Date(s)	Up to 10 Business Days after the corresponding Borrower's Loan Repayment Date and subject to the actual receipt by the Issuer of the relevant payment in relation to the Borrower's Loan from the Loan Originator
Pending Payments Penalty Fee	[...] % per annum
Indication of Yield:	[...] % per annum

PART B – CONTRACTUAL TERMS II

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

Borrower's Loan type	[...]
Borrower's Loan disbursement currency	EUR (euro)
Total outstanding principal amount of Series Specific Borrower's Loans transferred to the Issuer (EUR)	[...]
Series Specific Borrower's Loans Interest rate (%)	[...]
Late Payment Interest (%)	[...]
Grace Period	[...] days
Skin-in-the game retained by the Loan Originator (%)	The Loan Originator retains the skin-in-the game in the amount of 10% from the Borrower's Loan outstanding principal amount.

Information on the Series Specific Borrower's Loans

Asset ID	Country of the Borrower	Borrower's business sector and general description	Loan currency	Outstanding Borrower's Loan amount (EUR)*	Assigned nominal value amount (EUR)	Assigned amount / outstanding amount**	Nominal value of the asset / amount of the asset's collateral (%)	Maturity of the Borrower's Loan	Interest payment date of the Borrower's Loan	Credit type and collateral type
[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]		[...]
[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]		[...]
[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]		[...]
[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]		[...]
[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]		[...]

* Although the Borrower's Loan might be in different currencies, the Loan Originator assumes all currency risks, i.e., the Loan Originator has assigned the issued loans to the Issuer in EUR. The indicated EUR values are taken from the Claim Portfolio Assignment Agreements.

** The asset may be used as an underlying asset for other securities of the Issuer. The proportion of the underlying assets of the securities described in these Final Terms is set in the specified EUR amounts.

PART C – RESPONSIBILITY AND AUTHORISATION

The Management Board of the Issuer, Henrijs Jansons, 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 ABS.

The information provided in the Section 'Information relevant to the pool of Series Specific Borrower's Loans' above has been sourced from SIA SANDBOX FUNDING (the Loan Originator).

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 Loan Originator, no facts have been omitted which would render the reproduced information inaccurate or misleading.

For the aforesaid limitation of the Issuer's and Debitum Investments liability provided in Clause 9.26 'LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE ABS HOLDER' of the Terms and Conditions of the ABS applies.

This Series of the ABS issue is authorised by Management Board Meeting of the Issuer, Minutes No. [...] as of [Date] [Month] [Year].

*THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND
CONTAINS A TIME STAMP*

Henrijs Jansons
Member of the Management Board
SIA DN Funding Zeta

Company name: **SANDBOX FUNDING SIA**
Legal address **Ūnijas iela 8 k-7, Rīga LV-1084**
Single registration no. **40203473712**

**Operating Balance Sheet
as of 01.03.2024**

(reporting period: 01.01.2024.-29.02.2024)

Document date **26.03.2024**
Document prepared by (name, surname, title) **Ruta Sardiko [Rūta Sardiko], accountant**
Document approved by (name, surname, title) **Henrijs Jansons [Henrijs Jansons], management board member**
Report currency: **EUR**

Name of the company: **SIA SANDBOX FUNDING**
 Registration No.: **40203473712**
Ūnijas iela 8 k-7, Rīga LV-1084
 Fax: _____

BALANCE

Address:
 Phone:

Period from 01.01.2024 to 29.02.2024

Currency: **EUR**

ASSETS		Note No.	Row code	End of the period	Beginning of the year
1	2	3	4	5	6
Long-term investments					
I. Intangible assets					
II. Fixed assets (fixed assets, investment properties and biological a					
III. Long term financial investment					
Current assets					
I. Stock					
II. Accounts Receivables					
	1. Trade receivables		0470	56,409	
	4. Other receivables		0500	6,228,940	3,834,060
	II. Receivables total		0550	6,285,349	3,834,060
III. Short-term financial investments					
	IV. Cash.		0620	217,989	8,607
	Current assets total		0630	6,503,338	3,842,667
	ASSETS		0640	6,503,338	3,842,667

LIABILITIES		Note No.	Row code	End of the period	Beginning of the year
1	2	3	4	5	6
Equity					
	1. Share capital		0660	2,800	2,800
5. Reserves					
	6. Undistributed profit or uncovered losses brought forward		0780	-24,629	
	7. Profit or loss of the reporting year		0790	166019	-24,629
	Equity total		0800	144,190	-21,829
Accruals					
Long-term payables					
Short-term payables					
	4. Other loans		1060	6,241,815	3,781,764
	5. Advances received from buyers		1070		7,654
	6. Payables		1080	102,498	73,951
	10. Taxes and mandatory state social insurance contributions		1120	14,155	502
	11. Other payables		1130	680	625
	Short-term payables total		1,180	6,359,148	3,864,496
	LIABILITIES		1190	6,503,338	3,842,667

Responsible person **H.Jansons [H. Jansons]**

Name of the company: SIA SANDBOX FUNDING
 Registration No.: 40203473712
 Address: Ūnijas iela 8 k-7, Rīga LV-1084
 Phone: _____ Fax: _____
 State Revenue Service _____

INCOME STATEMENT
Period from 01.01.2024 to 29.02.2024

Currency: EUR

(expense function method)

No	Item name	Note No.	Row code	End of the period	Beginning of the year
1	2	3	4	5	6
1.	1. Net turnover:		010	191,967	131,046
2.	c) other main activities		030	191,967	131,046
3.	3. Gross profit or loss		050	191,967	131,046
4.	4. Cost of sales		060	129,491	150,484
5.	5. Administrative costs		070	169	679
6.	7. Other costs		090		171
7.	10. Other interest income and similar income:		170	103,712	117,576
8.	b) from other persons		190	103,712	117,576
9.	12. Interest payments and similar costs:		210		121,916
10.	b) to other persons		230		121,916
11.	13. Profit or loss before corporate income tax		240	166,019	-24,629
12.	15. Profit or loss after corporate income tax calculation		260	166,019	-24,629
13.	18. Profit or loss of the reporting year		290	166,019	-24,629

The auditor has approved the annual report: without objection ; with objection ; has not approved

Management Board member H. Jansons [H.Jansons]

Company name **SANDBOX FUNDING SIA**
 Registration No. ER **40203473712**
 Address: **Ūnijas iela 8 k-7, Rīga LV-1084**
 Unit: **EUR**

ANNEXES TO TRIAL BALANCE 2024
 (report period 01.01.2024-29.02.2024)

ANNEXES TO BALANCE SHEET

Account	Name	D/C	Amount at the beginning of the period	Amount at the end of the period	Report row
23.10	Accounts Receivables	D	0	+56,409.46	470
23.71	Short-term loans to companies	D	+3,832,739.78	+6,228,939.79	500
57.21	Value added tax	D	+1,319.87	0	500
26.20	Bank	D	+8,607.4	0	620
26.22	BluOr account	D	0	+199,558.13	620
26.23	Paysera account	D	0	+18,430.66	620
31.10	Share capital	C	+2,800	+2,800	660
34.20	Retained earnings for the reporting year	D	0	-24,628.52	-780
34.10	Retained earnings for the reporting year	D	-24,628.52	0	-790
51.10	Loans for further issuance	C	+3,781,763.84	+6,241,815.13	1060
23.10	Accounts Receivables	C	+7,653.7	0	1070
53.10	Accounts Payables	C	+73,950.74	+102,498.07	1080
57.21	Value added tax	C	0	+13,608.6	1120
57.22	Personal income tax	C	190.51	207.23	1120
57.23	Risk fee	C	0.72	0.72	1120
57.24	Social tax (employee)	C	95.71	104.11	1120
57.25	Social tax (employer)	C	215.03	233.9	1120
56.10	Payroll	C	625.32	680.2	1130

ANNEXES TO INCOME STATEMENT

Account	Name	D/C	Amount at the beginning of the period	Amount at the end of the period	Report row
61.10	Income from main activity, sale of services	C	+131,045.5	+191,966.88	30
71.10	Loan expenses	D	+143,669.42	+126,115.7	60
71.70	Accounts payables outside	D	471.55	623	60
72.10	Employee salaries	D	+1,166.12	583.08	60
72.20	Management and adm. Staff salaries	D	+3,720	+1,400	60
73.10	Social tax (employees)	D	275.06	137.54	60
73.20	Social tax (admin. staff)	D	877.56	330.26	60
73.30	Risk fee	D	4.32	1.44	60
75.30	Premises rent and utilities	D	300	300	60
77.20	Office expenses	D	239.67	0	70
77.40	Annual report and audit expenses	D	247.34	73.22	70
77.50	Cash circulation expenses	D	191.99	95.96	70
75.50	Other economic activity expenses	D	170.66	0	90
81.20	Other income from interest	C	+117,575.7	+103,711.92	190
82.20	Interest paid and equivalent expenses	D	+121,916.03	0	230

General information

1. Taxes

Tax type	Balance as of 31.12.2023	Calculated in 2024	Calculated fine in 2023	Paid or transferred from / to tax in 2023	Balance as of 31.12.2023
Value added tax	-1,320	15,021		92	13,609
Income tax	190	414		397	207
Business risk fee	1	1		1	1
Social tax	311	676		649	338
Corporate income tax	0	0		0	0
Total	-818	16,112		1,139	14,155

3. Number of employees of the company

	2024	2023
Average number of employees of the company in the reporting year	2	2

Management Board member _____
H.Jansons [H.Jansons]