TRANSLATION FROM LATVIAN

Sabiedrības ar ierobežotu atbildību

SIA DN FUNDING ZETA

ANNUAL REPORT

07.12.2023-31.12.2024

PREPARED IN ACCORDANCE WITH THE LAW ON ANNUAL REPORTS AND CONSOLIDATED ANNUAL REPORTS OF THE REPUBLIC OF LATVIA
UN NEATKARĪGU REVIDENTU ZIŅOJUMS

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Information about the Company

Name of the Company	DN Funding Zeta SIA
Legal type of the Company	Limited liability company
Registration number, place and date	40203526691, Riga, 07.12.2023
Legal and postal address	Riga, Dzirnavu iela 67 Latvia, LV-1011
Type of operations	6431, Activities Of Money Market And Non-Money Market Investments Funds
Management	Ingus Salmiņš , appointed 05.06.2024.
Board Members and Position	Ingus Salmiņš, appointed 05.06.2024. Henrijs Jansons, appointend 07.12.2023., released 26.06.2024.
Accountant	Ingus Salmiņš
Reporting Period	07.12.2023 – 31.12.2024
Information on Shareholder	SIA DN Operator SIA Registration number 42103092209 , Dzirnavu iela 67 iela, Riga, LV-1011 Shareholding: 100% Board Member, Shareholder Salmiņš Ingus SIA ZIdea (40203138540 Latvia; 67.01847 %) Shareholder Reņģītis Ēriks SIA Amplo (40103356486 Latvia; 32.98153 %)
Auditor	"BDO ASSURANCE" SIA Mihaila Tāla iela 1 Riga, Latvia LV-1045 Licence No. 182 Responsible sworn auditor Raivis Jānis Jaunkalns Cerificate of sworn auditor No.237

Management Report

Type of operations

SIA DN Funding Zeta, register in the Commercial Register on 7 December 2023.

Company's operations in the reporting year, indicators of financial results of operations

Description of the types of operations:

The Company's main activity is the operation of money market funds and investment funds other than money market funds (NACE 64.31).

Financial condition indicators:

The Annual Report is for the period 07.12.2023 -31.12.2024. In 2024, the Company had no income.
The 2024 financial reporting period ended with a loss of -2,752 EUR.
The total balance sheet amount as of December 31, 2024 is 98 EUR.
The share capital is 2,800 EUR.
Equity is 48 EUR.
The Company has no borrowed funds.

Information on significant risks and uncertainties facing the company

None

Risk Management Policy

The Company is not exposed to currency risk. All transactions are conducted in Euros.

Information about subsidiaries

DN Funding Zeta has no subsidiaries.

In 2024 the Company focused on:

In 2024, the Company focused its attention on starting business operations.

The Company's future development and plans.

The Company plans to actively continue its business activities in accordance with its core business.

The 2024 financial statements have been prepared assuming that the Company will continue to operate.

Loss coverage plan for the reporting year

The shareholders' meeting decided that the losses for the reporting year will be covered in 2025 by increasing the share capital.

The totality of the Company's own shares or units

The Company's share capital as of December 31, 2024 is EUR 2,800. Consists of 280 units. The nominal value of one unit is EUR 10.

The Company's share capital is fully paid.

Use of financial instruments

The company is engaged in the acquisition of receivables from the loan originator- SIA Sandbox Funding, registration number 40203473712, and the issuance and public offering of receivable-backed securities ("**ABS**") on the Debitum platform.

Circumstances and events after the balance sheet date

During the period between the last day of the reporting year and the day the Board signs the annual report, there have been no significant or exceptional circumstances that would affect the annual results and the financial position of the company.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

Balance Sheet on 31 December 2024

Assets	Notes	31.12.2024 EUR
Cash	**1**	**98**
Total current assets		**98**
Total assets		**98**

The Schedules on pages 11 to 15 are an integral part of these financial statements.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

Balance Sheet on 31 December 2024

Liabilities	Notes	31.12.2024 EUR
Equity		
Share capital	**2**	2 800
Reporting year's loss		-2 752
Total Equity		**48**
Short-term creditors		
Taxes and social security contributions	**3**	50
Total short-term creditors		**50**
Total creditors		**50**
Total Liabilities		**98**

The Schedules on pages 11 to 15 are an integral part of these financial statements.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

Income or Loss Statement for the period 07.12.2023-31.12.2024

(classified by expense function)

Name of Item	Note	07.12.2023-31.12.2024 EUR
1. Selling expenses	**4**	**-2 702**
2. Profit (loss) before corporate income tax		**-2 702**
3. Corporate income tax for the reporting year		**-50**
4. Profit or loss after calculating corporate income tax		**-2 752**
5. **Reporting Year's Profit (Loss)**		**-2 752**

The Schedules on pages 11 to 15 are an integral part of these financial statements.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

Cash Flow Statement

(prepared by the indirect method)

	07.12.2023-31.12.2024 EUR
Profit (loss) before corporate income tax calculations	-2 702
Profit (loss) before changes in current assets and short-term creditors	**-2 702**
Gross cash flow from operations	-2 702
Net cash flow from operations	**-2 702**
Share capital increase	2 800
Net cash flow from financing activities	**2 800**
Net cash flow for the reporting year	**98**
Cash and cash equivalents at the beginning of the reporting year	0
Cash and cash equivalents at the end of the reporting year	**98**

The Schedules on pages 11 to 15 are an integral part of these financial statements.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

Statement of Changes in Equity

	Paid up share capital	Retained earnings/(losses)	Total
7 December 2023	**-**	**-**	**-**
Share capital increase	2 800	-	**2 800**
Reporting period profit (loss)	-	-2 752	**-2 752**
31 December 2024	**2 800**	**-2 752**	**48**

The Schedules on pages 11 to 15 are an integral part of these financial statements.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

Schedule to the Annual Report

I Accounting Policy

Information on the Company

DN Funding Zeta SIA ("Company") is a limited liability company and is registered in the Commercial Register on December 7, 2023 in Riga, with the unified registration number 40203526691. The legal address of the Company is Dzirnavu iela 67, Riga, LV-1011, Riga. The Member of the Board of the Company is Ingus Salmiņš. The auditor of the Company is the Sworn Auditors Commercial Company BDO ASSURANCE SIA and the responsible sworn auditor is Raivis Jānis Jaunkalns.

The Company as an issuer is a special purpose company, the sole purpose of which is to issue and offer to investors on the investment platform of SIA DN Operator (https://debitum.investments/lv) ABS, which are secured by loan receivables obtained from the loan originator – SIA Sandbox Funding, registration number 40203473712.

The Company has prepared a Base Prospectus, which has been approved by the competent authority in Latvia. The Company does not conduct any other business except as specified in the Base Prospectus. The Company is a wholly owned subsidiary of SIA DN Operator.

Number of Employees

	07.12.2023-31.12.2024
Average number of employees	**0**

Monetary unit and foreign currency revaluation

The figures presented in these financial statements are expressed in euros (EUR). All transactions in foreign currencies are calculated in EUR at the official exchange rate of the European Central Bank on the date of the relevant transaction. Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rate of the European Central Bank ruling at the balance sheet date (end of day). Gains or losses resulting from fluctuations in foreign exchange rates are reflected in the profit or loss statement for the reporting period at net value.

	31.12.2024
USD	1.03890

Grounds for preparation of financial statements

The financial statements have been prepared in accordance with the Accounting Law and the Annual Statements and Consolidated Annual Statements Law, as well as in accordance with Cabinet Regulation No. 775 "Regulations on the Application of the Annual Statements and Consolidated Annual Statements Law" and Cabinet Regulation No. 399 "Regulations on the Form of Electronic Copy of Financial Statements or Consolidated Financial Statements Prepared by Companies" and other regulatory enactments regulating accounting and annual statements.

The profit and loss account is classified by expense function.

The financial statements have been prepared in accordance with the historical cost accounting principle. The unit of currency in the financial statements is the euro (EUR).

In accordance with the criteria set out in the law, the Company is classified as a micro-company.

Accounting principles applied

The financial statements have been prepared in accordance with the following principles:

a) it is assumed that the company will continue to operate;
b) the same accounting policies and valuation methods are used as in the previous reporting year;
c) the financial statement items have been recognized and valued using the principle of prudence, in particular by observing the following conditions:
    - only the profit obtained up to the balance sheet date is included in the report;
    - all expected risk amounts and losses that have occurred in the reporting year or in previous years have been taken into account, even if they became known in the period between the balance sheet date and the date of signing the annual report;
    - all amounts of asset depreciation and depreciation have been calculated and taken into account, regardless of whether the reporting year is closed with a profit or loss;
d) the amounts in the balance sheet and profit and loss account items are indicated on an accrual basis. Income and expenses related to the reporting year are indicated regardless of the date of receipt of payment or invoice;
e) expenses are reconciled with income in the reporting period;
f) the balance sheet at the beginning of the reporting year is the same as the balance sheet at the end of the previous year;
g) the asset and liability items of the balance sheet are valued separately;
h) the balance sheet and profit and loss account items are valued at acquisition cost or production cost;
i) no offsetting is made between the asset and liability items of the balance sheet or the income and expense items of the profit and loss account, except in cases where it is permitted to present them at net value;
j) the amounts in the balance sheet and profit and loss account items are indicated, taking into account the content and nature of the economic transactions, and not only the legal form;
k) all items that significantly affect the assessment or decision-making of the users of the annual report are indicated, insignificant items are combined and their details are provided in the appendix.

Related parties

Related parties are natural or legal persons that are related to the Company, in accordance with the provisions set out below.

A natural person (or his/her relative up to the third degree, or spouse, or a person related to this natural person up to the second degree) is related to the reporting entity if this person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a senior management representative of the reporting entity or the reporting entity's parent company.

A legal entity is related to the reporting entity if any of the following conditions are met:

- the legal entity and the reporting entity belong to the same group of companies (meaning that each parent company, subsidiary and related company are related to each other);
- one company is an associate or joint venture of the other company (or a group to which the other company, associate or joint venture of a related company belongs);
- both companies are joint ventures of the same third party;
- one entity is a joint venture of a third entity, and the other entity is an associate of a third entity;
- the entity is controlled by legal entities or is under common control of a natural person (or his/her relative up to the third degree, or spouse, or a person related by blood to that natural person up to the second degree) related to the reporting entity;
- a natural person (or his/her relative up to the third degree, or spouse, or a person related by blood to that natural person up to the second degree) related to the reporting entity has significant influence over the entity or is a senior management representative of the entity (or the parent company of that entity);
- the entity or any member of the group to which it belongs provides senior management personnel services to the reporting entity or the parent company of the reporting entity.

Going concern

The financial statements have been prepared on the assumption that the Company will continue to operate. As stated above, the Company incurred losses in 2024. The losses will be covered by increasing the share capital in 2025.

The financial statements have been prepared on the assumption that the Company will continue to operate. The Company has closed the reporting year with a loss of EUR 2,752. At the end of the reporting year, the Company's current assets exceed the Company's current liabilities by EUR 48.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and short-term deposits with original maturities of three months or less.

Expense Recognition Principles

All expenses incurred as a result of a company's business activities are recognized at the time they are incurred, regardless of the time the money is paid.

Income taxes

Starting from 1 January 2018, in accordance with the amendments to the Corporate Income Tax Law of the Republic of Latvia, legal entities are not required to pay income tax on their profits. Corporate income tax is paid on distributed profits and conditionally distributed profits. A tax rate of 20 percent of the gross amount or 20/80 of the net costs is applied to distributed and conditionally distributed profits. Corporate income tax on dividend payments is recognized in the profit and loss account as an expense in the reporting period when the relevant dividends are declared, while for other conditional profit objects – at the time when the costs arise within the reporting year.

No provisions for corporate income tax on dividend payments are recognized before dividends are declared.

Off-balance sheet items

The Company purchases loan receivables from loan originators and issues ABSs secured by these loans and offers them on the Debitum platform

The Company does not assume the risk associated with underlying assets, therefore loan receivables are not presented on the balance sheet. Similarly, the Company does not assume the risk and obligation to repay the ABS from its own funds, as the repayment of the ABS is entirely dependent on the loan receivables securing the ABS, or on the loan receivables related to the borrower's loan, as well as on the fulfilment of the loan originators' repurchase and recovery obligations. Therefore, ABSs are also not presented on the balance sheet.

Events after the date of balance sheet

There have been no events between the last day of the reporting year and the date of signing these financial statements that require adjustments to be made to these financial statements or that require disclosure in these financial statements.

II Explanation of balance sheet items. ASSETS

1. Cash and cash equivalents

	31.12.2024
Cash in bank account	98
Total	**98**

III Explanation of balance sheet items. LIABILITIES

2. Share capital

The share capital of the company is formed from the contributions of the shareholders in the amount of 2800 EUR, divided into 280 shares, the value of one share is 10 EUR. All shares are fully paid up.

3. Taxes and social security contributions

Type of Tax	**Changes, EUR**	**31.12.2024**
Corporate income tax		50
Total		**50**

IV Explanation of the profit or loss statement

4. Selling expenses

	07.12.2023-31.12.2024
Other expenses *	2 702
Total	**2 702**

*****ISIN, LEI code

IV Explanation of off-balance sheet items

The Company purchases loan receivables from loan originators and issues securities secured by these loan receivables (asset-backed securities (ABS)). An SPV is a special purpose vehicle established to purchase loans from loan originators and issue securities secured by these loans – ABS.

The Company does not assume the risk associated with underlying assets, therefore loan receivables are not presented in the balance sheet. Similarly, the Company does not assume the risk and obligation to repay the ABS from its own funds, since the repayment of the ABS is entirely dependent on the loan receivables securing the ABS or on the loan receivables related to the borrower's loan, as well as on the fulfilment of the loan originators' repurchase and recovery obligations.

Therefore, ABS are also not presented in the balance sheet.

The total amount of ABS, which was issued in 2024 at the original nominal value and was available for investment during the reporting period, was 14,917,500 EUR.

	31.12.2024 EUR
Loan receivables associated with issued ABS.	**14 917 500**
ABS liabilities (nominal value)	**14 917 500**
Investment in the financial instruments of Investors	*14 656 107*
Uninvested amount	*261 393*

Events after the balance sheet date

There have been no events between the last day of the reporting year and the date of signing these financial statements that would require adjustments to these financial statements or that would require disclosure in these financial statements.

Board Member _____ Ingus Salmiņš

Riga, Latvia
31 March 2024

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Mihaila Tāla iela 1,
Rīga, LV-1045
Latvija

Translation from original in Latvian

Independent Auditor's Report

To the shareholder of DN Funding Zeta SIA

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of DN Funding Zeta SIA (the Company) set out on pages 6 to 15 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2024,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of DN Funding Zeta SIA as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises

- Company Information as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 to 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

BDO Assurance, a Latvian joint stock company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO ASSURANCE SIA
Kalku street 15-3B, Riga, LV1050
License No 182

Raivis Jānis Jaunkalns
Sworn auditor
Certificate No 237
Member of the Board

Riga, Latvia
31 March, 2025