SIA "Latvijas Meža Attīstības Fonds"
BASE PROSPECTUS





20 August 2026

SIA "Latvijas Meža Attīstības Fonds"
registration number in Latvia: 40203475516
legal entity identifier (LEI): 984500D13C2N42C61F59
EUR 80,000,000 NOTES PROGRAMME

This Base Prospectus ("**Base Prospectus**") was prepared for the programme ("**Programme**") for the offerings of notes ("**Notes**") of SIA "Latvijas Meža Attīstības Fonds" a limited liability company, incorporated in, and operating under the laws of the Republic of Latvia, and registered in the Commercial Register of Latvia maintained by the Enterprise Register under the registration number: 40203475516, legal address: Audēju iela 15 - 4, Riga, LV-1050, Latvia ("**Issuer**") in the amount of up to EUR 80,000,000 ("**Offering**").

This Base Prospectus should be read and construed together with any supplements hereto (if any), any other documents attached herein and, in relation to any tranche of the Notes issue ("**Tranche**") of any series of the Notes issue ("**Series**"), with the Final Terms of the relevant Tranche ("**Final Terms**"), as applicable. The issue-specific summary shall be annexed to the Final Terms of each Tranche and shall be announced in the same order as the Base Prospectus and provided to the Bank of Latvia (in Latvian: *Latvijas Banka*) ("**Bank of Latvia**") together with the Final Terms.

This Base Prospectus has been prepared and each respective Final Terms will be prepared by the Issuer in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as may be amended from time to time ("**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980, as may be amended from time to time ("**Delegated Regulation**") and the Financial Instrument Market Law of the Republic of Latvia, as amended from time to time ("**Financial Instrument Market Law**").

This Base Prospectus has been approved as a base prospectus by the Bank of Latvia, as a 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 the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the appropriateness and suitability of investing in the Notes.

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

This Base Prospectus will be valid for a period of up to 12 months after its approval by 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 that is capable to affect the assessment of any Notes, for use in connection with any subsequent issue of the Notes. The obligation to prepare a supplement to this Base Prospectus or publish a new Base Prospectus in the event of any significant new factor, material mistake or inaccuracy will cease to apply upon the expiry of the period of validity of this Base Prospectus.

This Base Prospectus, in accordance with Article 8(11) of the Prospectus Regulation, is a succeeding base prospectus to the base prospectus dated 14 August 2025 and approved by the Bank of Latvia on 25 August 2025, as supplemented on 28 April 2026, relating to the Issuer and a programme limit of EUR 60,000,000 ("**Previous Base Prospectus**"). The form of the Final Terms under the Previous Base Prospectus is similar to the form of the Final Terms under this Base Prospectus and can be found in Section 14 "APPLICABLE FINAL TERMS".

All the final terms that (i) were created under the Previous Base Prospectus, (ii) relate to Notes with a maturity date falling after the expiry of the Previous Base Prospectus, and (iii) are available on the Platform, are relevant for the continuing offer under this Base Prospectus

The principal risk factors which may affect the Issuer's ability to perform its obligations under the Notes are described in the Section 4.

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

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2. GLOSSARY

Asset Pledge Agreement	the Latvian law-governed commercial pledge agreement entered into between the Issuer and the Collateral Agent, acting on behalf of and for the benefit of the Noteholders, securing the monetary obligations arising out of the Notes and establishing a first-ranking commercial pledge over all movable assets of the Issuer as an aggregation of things at the time of pledging, as well as future components of such aggregation of things.
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.
Collateral	shall mean first ranking commercial pledge: • over all movable assets of the Issuer as an aggregation of things at the time of the pledging, as well as future components of such aggregation of things registered with the Commercial Pledge Register of the Republic of Latvia with the Commercial Pledge Act no. 100209141, as amended and/or novated; • over all shares of the Issuer registered with the Commercial Pledge Register of the Republic of Latvia with the Commercial Pledge Act no. 100209142, as amended and/or novated. For the avoidance of doubt, under the Commercial Pledge Law (in Latvian: *Komercķīlas likums*), a commercial pledge over all movable assets of the Issuer as an aggregation of things at the time of pledging, as well as future components of such aggregation of things, excludes real estate, vessels, financial instruments recorded in financial instrument accounts, credit claims subject to financial collateral arrangements and other assets subject to separate registration, such as vehicles, herds and trademarks.
Collateral Agent	SIA DN Trustee, a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203587465 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 10 September 2024.
Collateral Agent Agreement	shall mean an agreement between the Issuer and the Collateral Agent, regulating the role of the Collateral Agent in respect of the Notes, Collateral and the obligations of the Issuer as provided for in this Base Prospectus and that agreement.
Collateral Agreements	shall mean the Asset Pledge Agreement and the Share Pledge Agreement.
Cooperation Agreement	the cooperation agreement between the Issuer and Debitum Investments in relation to the Notes.
Debitum Investments	SIA DN Operator, a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 42103092209 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 9 April 2019, an investment firm (in Latvian: *ieguldījumu brokeru sabiedrība*) 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 14 'APPLICABLE FINAL TERMS'.

Financial Indebtedness	any indebtedness, excluding Subordinated Loans, in respect of: • monies borrowed or raised (including any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities); • the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease; • any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; • any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead); • any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; • receivables sold or discounted (on a recourse basis); and • without double counting any guarantee or other assurance against financial loss in respect of a type referred to in the Items above.
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 "Latvijas Meža Attīstības Fonds", a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203475516 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 6 April 2023, legal entity identifier: 984500D13C2N42C61F59, registered address: Audēju iela 15 - 4, Riga LV-1050, Latvia.
Issuer's website	https://www.lfdf.eu/fund-structure/lfdf-1
Junior Series	means any Series designated as a Junior Series in the applicable Final Terms. Claims under a Junior Series shall rank behind claims under each Senior Series in accordance with the Priority of Payments and the provisions governing the application of proceeds from enforcement of the Collateral. Junior Series shall bear losses before Senior Series if the funds available to the Issuer or the proceeds from enforcement of the Collateral are insufficient to satisfy all claims under the Notes.
Land Portfolio	the aggregation of real properties owned by the Issuer as at the date of this Base Prospectus, with a total area exceeding 7,600 hectares.
LMAFII	SIA "Latvijas Meža Attīstības Fonds II", a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203733318 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 26 March 2026, legal entity identifier: 64888HX6UPI2B2Z56447, registered address: Audēju iela 15 - 4, Riga LV-1050, Latvia.
Noteholder	a holder for the time being of any Note.
Notes	debt securities issued or to be issued by the Issuer under the Programme.
Permitted Security	shall mean security interests in relation to:

- the Collateral;
- any Security securing Financial Indebtedness, provided that such Security ranks junior to the Collateral and does not adversely affect the validity, enforceability, ranking or value of the Collateral;
- any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- any payment netting, close-out netting or set-off arrangement under a hedging transaction entered into by the Issuer for the purpose of hedging risks arising in the ordinary course of its business or managing its interest-rate or currency exposure, provided that such transaction is entered into for non-speculative purposes, but excluding any Security granted under a credit-support arrangement relating to such hedging transaction;
- any Security arising under a sale and leaseback transaction relating to assets owned by the Issuer; and
- any Security arising by operation of law or in the ordinary course of the Issuer's business.

Platform	the website created and managed by Debitum Investments under the domain name www.debitum.investments, which allows its users to access the services provided by Debitum Investments.
Programme	this EUR 80,000,000 (eighty million euro) Notes programme of the Issuer.
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, together with any Commission delegated regulation adopted thereunder.
Security	means any mortgage, commercial pledge, pledge, lien, assignment or transfer by way of security, encumbrance or other security interest securing any obligation of any person.
Securities Act	the United States Securities Act of 1933, as amended.
Senior Series	means any Series designated as a Senior Series in the applicable Final Terms. Claims under a Senior Series shall rank ahead of claims under any Junior Series in accordance with the Priority of Payments and the provisions governing the application of proceeds from enforcement of the Collateral.
Series	a series of the Notes.
Share Pledge Agreement	the Latvian law-governed commercial pledge agreement entered into between the Shareholder and the Collateral Agent, acting on behalf of and for the benefit of the Noteholders, securing the monetary obligations arising out of the Notes and establishing a first-ranking commercial pledge over all shares of the Issuer.
Shareholder	SIA "Intelligent Innovations", a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203325336 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 10 June 2021, registered address: Ošu iela 15, Valmiera, Valmiera municipality, LV-4202, Latvia.
Subordinated Loans	means any indebtedness of the Issuer under a written agreement which is expressly subordinated to all present and future claims under the Notes, including claims in respect of principal, interest, default interest, fees and other amounts, and the final maturity of which falls after the final maturity of all Notes outstanding at the time such indebtedness is incurred.

Tranche	a tranche of one Series of the Notes.
Transaction Documents	the Cooperation Agreement, the Collateral Agent Agreement and the Collateral Agreements.

3. GENERAL DESCRIPTION

3.1. What are Notes?

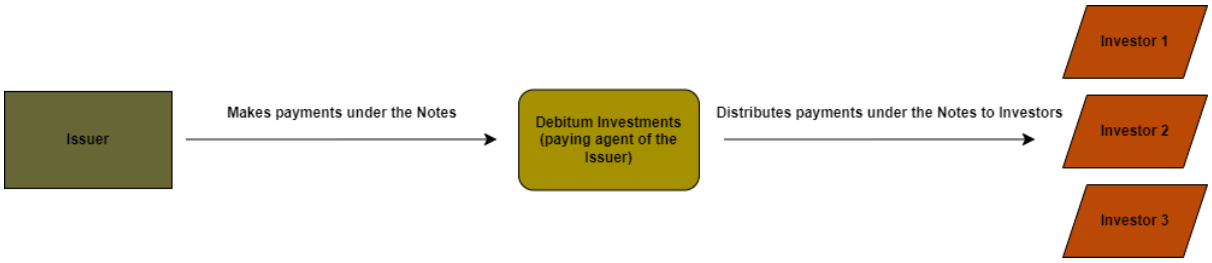
The Notes are debt financial instruments through which an Investor, in essence, lends money to the Issuer for a specified period of time at a specified interest rate. The Issuer offers the Notes to Investors by means of the Platform.

The Notes are no asset backed securities.

See the Section 9 'ISSUER' for more information on the Issuer and Section 11 'TERMS AND CONDITIONS OF THE NOTES' for more information on the terms and conditions of the Notes.

3.2. The flow of funds for repayment

Each time the Issuer makes payments (transfers the funds) to Debitum Investments as the paying agent of the Issuer, which in turn makes repayments under the relevant Series of the Notes to the relevant Investor via Platform. The repayments are received into the relevant Investment Account of the relevant Investor.



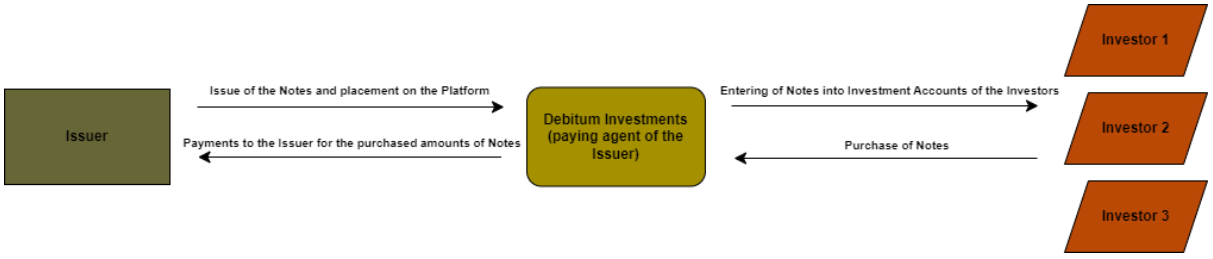
This means that if the Issuer makes:

- the repayments to Debitum Investments later than scheduled, the repayments to the Investor (the Noteholder) will also be correspondingly delayed;
- no repayments at all and the Collateral Agent is not able to recover anything from the Issuer, no repayments will be received by the Investor (the Noteholder).

There are no buyback or similar obligations.

3.3. The flow of funds for investment

The Issuer issues a Series of the Notes to Investors via Debitum Investments. When an Investor purchases any Notes of the Series, the Investment Accounts are immediately debited with the purchase price of the Notes and are credited with the Notes with the next day. The purchase price of the Notes is further transferred by Debitum Investments as the paying agent of the Issuer.



4. RISK FACTORS

Prospective investors are advised to carefully consider the risk factors and other information provided in this Base Prospectus. Investing in the Notes involves certain risks including but not limited to the risks described herein.

The Issuer believes that if one or more of the risk factors described herein emerges, it could have a negative effect on the Issuer's business operations, financial position and/or business results and, thereby, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. If these risks were to lead to a decline in the market price of the Notes, prospective investors could lose all or part of their investment.

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 business, financial condition, results of operations and prospects. The Issuer 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 Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the statements below regarding the risks of investing in any Notes are not exhaustive. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer, or that the Issuer at the date of this Base Prospectus deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's 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 Notes.

Before making an investment decision with respect to any Notes, prospective investors should consult their own lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the relevant investor's personal circumstances.

4.1. Risks related to the economic and regulatory environment

4.1.1. Exposure to geopolitical events

On 24 February 2022, Russia launched a military assault on Ukraine. This has led to significant volatility in the global credit markets and on the global economy.

There is speculation that the Baltics may become targets of Russian military action, especially given the region is bordering with both Russia and Belarus.

Although the Issuer has not owned any assets and does not perform any operations in Ukraine, Russia, and Belarus, the war in Ukraine and the potential risk of a military conflict in the Baltic region reduce the investment appeal of the region, which may adversely affect the value and liquidity of owned and managed assets and the attraction of investor capital, as the most of assets are from the Baltic region.

An additional impact on the Issuer's operations and financial results could be caused by the general deterioration of the economic situation due to such geopolitical risks. There is also a risk, that due to the rapidly changing environment other aspects related to geopolitical events may arise that are not currently identified but may affect the Issuer's business.

4.1.2. Macroeconomic risk

The Issuer's main business is the acquisition, sustainable management, property regularisation, and sale of forest and agricultural land, with the aim of increasing property values. The Issuer's business operations are currently centred in the Republic of Latvia. The Issuer's business is, to a certain extent, dependent on the general economic environment across the European Union (EU), due to the

geographical focus of its activities, and in particular within Latvia. The general economic environment has a material impact on the price of forest and agricultural land and on transaction volumes in the real estate market.

During phases of economic weakness, demand for forest products, forest maintenance services, and forest and agricultural land may decline as a result of cost-saving measures by both private individuals and companies. A downturn in the overall economy could therefore adversely affect supply and demand for forest and agricultural land, which could have a material adverse effect on the Issuer's business operations, financial condition, results of operations, and cash flows.

Latvia is not immune to regional and global macroeconomic fluctuations. Latvia is closely linked, first, to the economies of the Baltic States and, secondly, to the economies of other EU Member States and the European Monetary System. A slowdown in the EU may negatively affect the economies of the Baltic States and, consequently, may have an adverse effect on the Issuer's business operations.

Although the Baltic States and the EU continued to show signs of gradual stabilisation and the growth outlook for 2026 has improved compared to the recessionary environment experienced in 2023, the overall macroeconomic environment remains subject to elevated uncertainty. In Latvia, economic growth is expected to recover in 2026, while inflationary pressures, wage growth, energy and commodity price volatility, geopolitical tensions, and fiscal constraints may continue to affect business activity and investor sentiment. The Bank of Latvia has projected inflation in Latvia to remain within the range of approximately 3-4% in the medium term, including 3.2% in 2026, while the Latvian Ministry of Finance has increased its 2026 GDP growth forecast to 2.6%.[1]

Consequently, actual economic growth rates could be lower than anticipated, and/or inflation, financing costs, or operating expenses could be higher than expected. Such developments could reduce demand for the Issuer's products and services, increase the Issuer's cost base, adversely affect land transaction volumes and valuations, and thereby negatively impact the Issuer's business operations, financial condition, results of operations, and cash flows.

4.1.3. Geopolitical tensions affecting the Strait of Hormuz and oil price volatility may adversely affect the Issuer's business

The Issuer is not directly engaged in the oil or energy sector. However, geopolitical tensions or disruptions affecting key global energy transit routes, including the Strait of Hormuz, may lead to increased global oil, fuel, energy, and transportation prices. Such developments could increase costs related to forestry operations, land management, agricultural activity, maintenance works, machinery use, logistics, and outsourced services.

Higher oil and energy prices may also contribute to inflationary pressures, reduce business confidence, and negatively affect the profitability and liquidity of market participants active in the forest and agricultural land market. This could reduce demand for forest and agricultural land, delay transactions, increase price volatility, adversely affect land valuations and transaction volumes, and thereby have a material adverse effect on the Issuer's business operations, financial condition, results of operations, and cash flows.

4.1.4. Negative economic developments in the countries in which the Issuer and its investments operate may affect the Issuer's operations

Economic slowdown or a recession, regardless of its depth, or any other negative economic developments in the countries in which the Issuer operates, may affect the Issuer's business in a number of ways, including, among other things, the income, wealth, liquidity, business, and/or financial position of the Issuer and the assets in which the Issuer has invested. Moreover, the Issuer may not be able to utilise the opportunities created by the economic fluctuations, and the Issuer may not be able to adapt to a long-term economic recession or stagnation.

Although the Issuer's net asset value has increased over time, the Issuer remains susceptible to the uncertainties in both the global and local economies, with particular exposure to Latvia. Although the

[1] Source: https://www.bank.lv/en/news-and-events/news-and-articles/news/17433-latvijas-banka-has-revised-its-macroeconomic-forecasts

Issuer's management believes that the Issuer's capital structure and access to potential external funding will provide sufficient liquidity, there can be no assurance that the Issuer's liquidity and access to financing will not be affected by changes in the global and/or local economy or that its capital resources will, at all times, be sufficient to satisfy its liquidity needs

Materialisation of any of the above risks could adversely affect the Issuer's asset values, future cost of debt and access to bank and capital market financing, which could, in turn, have an adverse effect on the Issuer's business, financial condition, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

4.1.5. Regulatory risk

The Issuer is subject to national Latvian laws and regulations, as well as EU laws and regulations that regulate the industry, consumer rights protection, personal data processing, prevention of money laundering and terrorism and proliferation financing or govern the industry in which the Issuer operates. Any uncertainty as to the regulatory trends or changes in policies in relation to the Issuer's industry may delay or prevent the achievement of the strategic plans or increase the cost of implementing such plans.

The Issuer complies with all legislative requirements and other regulations as of the date of the Base Prospectus. Legislation and regulations may change however, and the management cannot guarantee, in such cases, it would be able to comply immediately, without material measures to be in line with the requirements of any revised legislation or other regulations. Adapting the Issuer's operations to any of the changes described above may incur costs for the Issuer that are difficult to anticipate, which in turn may have a material adverse effect on the Issuer's business operations, financial conditions and results of operations.

4.1.6. Risk of fluctuations in forest property and wood prices

The forest sector is inherently exposed to fluctuations in the prices of wood, timber, and other commodities linked to wood processing. These fluctuations can arise from a variety of factors, including changes in supply and demand dynamics, environmental regulations, geopolitical events, and shifts in global trade patterns. Any significant volatility in these commodity markets could materially and adversely affect the Issuer's business, financial condition, and operational results.

In addition, the ripple effects of commodity price volatility may affect the broader forest industry ecosystem, including supply chain logistics, labour costs, and competition among market participants. Prolonged periods of price instability may necessitate operational adjustments, such as cost-cutting measures or changes in procurement strategies, which may adversely affect the Issuer's business, financial condition, and operational results.

4.1.7. Taxation risk

Changes to local tax regimes or challenges to the current tax structures of the Issuer's business could have a material adverse effect on the business operations, financial conditions, or results of operations and cash flows of the Issuer. Additionally, certain tax positions taken by the Issuer require the judgement of management and, thus, could turn out to be inefficient or challenged by tax authorities due to the possible erroneous interpretation of tax legislation.

4.1.8. Financial leverage risk

As at 31 December 2025, the Issuer had long-term and short-term loans against bonds in the aggregate amount of EUR 32,336,010, compared to shareholders' equity of EUR 3,041,799. The Issuer's liability-to-equity ratio was 11.66 as at that date. The Issuer therefore already operates with a significant level of financial leverage.

The financial leverage of the Issuer may increase further as a result of additional issues of Notes under the Programme or additional external financing obtained in the future. A high level of Financial Indebtedness may require the Issuer to dedicate a substantial portion of its cash flows to servicing debt, increase its vulnerability to adverse economic or business conditions, restrict its ability to obtain

additional financing and limit its flexibility in responding to competition or changes in its business or industry.

If the Issuer is unable to generate sufficient cash flows, refinance its Financial Indebtedness or dispose of assets on acceptable terms and within the required timeframe, this could have a material adverse effect on the Issuer's business operations, financial condition and ability to satisfy its obligations under the Notes.

4.2. Significant risks inherent to the Issuer's business operations

4.2.1. Risks related to limited liquidity of the Issuer's investments

The investments made by the Issuer may be illiquid - there is a risk that the planned transactions will not take place at appropriate conditions when the management of the Issuer intend. When acquiring land and/or agricultural land for the Land Portfolio, there is a possibility that the alienation of the same may take longer than planned or may not be as profitable as planned or even unprofitable due to a lack of demand on acceptable terms or other market circumstances. To maximize the realisable value of the Land Portfolio, the management makes sales strategy decisions relevant to the specific investments, however, the timing and success of exit opportunities may be unpredictable. Key factors that determine the level of liquidity of parts of the Land Portfolio include internal qualities of the particular land plots (such as land quality, area, location) as well as external factors such as the overall market environment and industry-specific trends (in particular in private equity, real estate, timberland and farmland, renewables). As an illustrative example, increased uncertainty in the regulatory environment of the agricultural industry (e.g. level and applicability of subsidies) may negatively impact the ability to sell agricultural land.

4.2.2. Risks related to changes in forestry and environmental regulation

The Issuer's business is subject to forestry, environmental, land use and nature conservation laws and regulations in the jurisdictions where it owns or acquires land. Changes in applicable legislation, regulatory requirements or governmental policies may adversely affect the Issuer's ability to manage, harvest, develop or dispose of its Land Portfolio.

Future regulatory changes may include, among other things, stricter forest management requirements, limitations on timber harvesting, expansion of protected areas, establishment of new nature conservation zones or habitats, biodiversity protection measures, restrictions on land use, or additional obligations relating to climate change mitigation, carbon sequestration and sustainable forest management. Such measures may reduce the area available for commercial forestry activities, delay or restrict harvesting operations, increase compliance and administrative costs, or require additional investments in environmental protection measures.

Furthermore, changes in environmental legislation or its interpretation by competent authorities may affect the valuation of the Issuer's Land Portfolio and reduce the expected economic return from certain investments. The Issuer may also be required to obtain additional permits or comply with more burdensome reporting, monitoring or restoration obligations.

Although the Issuer monitors legislative developments and seeks to manage its operations in compliance with applicable laws and regulations, there can be no assurance that future regulatory changes will not have a material adverse effect on the Issuer's business, financial position, results of operations, cash flows and future prospects and, consequently, on the Issuer's ability to fulfil its obligations under the Notes.

4.2.3. Timber price volatility risk

The Issuer's financial performance and the value of its Land Portfolio are influenced by the market prices of timber and other forest products. Timber prices are cyclical and may fluctuate significantly due to changes in supply and demand, global and regional economic conditions, construction activity, inflation, interest rates, international trade policies, transportation costs, energy prices, exchange rate movements and other market factors beyond the Issuer's control.

A decline in timber prices may reduce the revenues generated from timber harvesting and may also negatively affect the market value of forest properties, as the valuation of such assets is closely linked to the expected income from future timber sales. Conversely, periods of high timber prices may encourage increased harvesting by market participants, which could subsequently contribute to oversupply and downward pressure on prices.

In addition, disruptions in domestic or international timber markets, including trade restrictions, changes in export demand, geopolitical developments or reduced demand from the wood processing, construction or paper industries, may adversely affect the Issuer's ability to sell timber at anticipated prices or within expected timeframes.

Although the Issuer seeks to manage its harvesting activities and investment strategy in response to market conditions, there can be no assurance that fluctuations in timber prices will not have a material adverse effect on the Issuer's business, financial position, results of operations, cash flows, the valuation of its Land Portfolio and, consequently, on the Issuer's ability to fulfil its obligations under the Notes.

4.2.4. Risks related to dependency on senior management team and other key personnel

The Issuer's success and its ability to carry out its growth initiatives depend on qualified executives and employees, in particular certain executive officers of the Issuer and employees with special expertise in the operations of the Issuer. Given their expertise in the industry, their knowledge of the Issuer's business processes and their relationships with the Issuer's local partners, the loss of the services of one or more of these individuals could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

Furthermore, as the Issuer expands its operations, the Land Portfolio and geographic footprint, the Issuer's operating success and ability to carry out its business plan depend in a large part upon its ability to attract and retain additional qualified personnel who have specific technical or industry expertise, including people in the locations where the Issuer has operations. The success of existing and future investment is dependent on retaining and hiring personnel with sufficient expertise to allow the Issuer to accurately and timely complete its transactions.

The inability to attract and retain qualified personnel could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

4.2.5. Financing risk

Uncertainty in the financial market may mean that the price of the financing needed to carry out the Issuer's business may increase, and that financing may be less readily available.

It is possible that the Issuer could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs, and there can be no assurance that the Issuer will be able to meet its financial covenants when required. Should any of the above factors materialise, this may have a material adverse effect on the Issuer's business, financial position, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

4.2.6. Fire risk

The Issuer's Land Portfolio is exposed to significant risks associated with forest fires. Forest fires can be caused by natural factors, such as lightning strikes, or by human activities, including negligence, illegal logging, or industrial operations in surrounding areas. Regardless of the cause, fires pose a severe threat to the Land Portfolio and forests located on it, potentially leading to substantial financial losses.

The immediate impact of a forest fire includes the destruction of valuable timber resources, reducing the future availability of harvestable wood and lowering the overall value of the Land Portfolio. In addition, the loss of forest cover can degrade soil quality, reduce biodiversity, and harm the ecosystem services that the forest provides, such as carbon sequestration and water regulation. These

environmental damages may also lead to increased restoration costs and prolonged recovery periods, further impairing the Issuer's financial performance.

The risk of fire may be heightened by changing climate conditions, such as rising temperatures and prolonged droughts, which increase the frequency and intensity of wildfires. As climate change continues to exacerbate these risks, the likelihood of larger and more destructive fires could increase, further endangering the Issuer's Land Portfolio and value of it and in turn have a material adverse effect on the Issuer's business, financial position, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes.

4.2.7. Flood risk

The Issuer's Land Portfolio is exposed to significant risks associated with flooding. Floods can occur due to natural factors, such as heavy rainfall, rising river levels, or snowmelt, as well as from human activities, including deforestation, poor land management, or infrastructure failures. Regardless of the cause, flooding poses a severe threat to the Land Portfolio and the forests located on it, potentially leading to substantial financial losses.

The immediate impact of a flood includes waterlogging and damage to valuable timber resources, which may result in the deterioration of wood quality, tree mortality, and reduced future availability of harvestable timber. Furthermore, prolonged flooding can lead to soil erosion, nutrient depletion, and damage to the forest's root systems, ultimately lowering the overall value of the Land Portfolio.

The risk of flooding may be heightened by climate change, which is contributing to more frequent and intense weather events, such as heavier rainfall and extreme storms. These changing climate conditions increase the likelihood of severe flooding, further endangering the Issuer's Land Portfolio. The potential for recurrent or larger-scale floods could have a material adverse effect on the value of the Land Portfolio and, in turn, the Issuer's business, financial position, operational results, and future prospects. As a result, the Issuer's ability to fulfil its obligations under the Notes may be negatively impacted.

4.2.8. Pest and Disease Risk

The Issuer's Land Portfolio is exposed to significant risks associated with forest and agricultural pests and diseases. These threats can emerge due to natural factors, such as the migration of invasive species, or by human influences, including trade, tourism, and the introduction of non-native plant species. Regardless of the cause, pests and diseases pose a severe threat to the Land Portfolio and the forests within it, potentially leading to substantial financial losses.

The immediate impact of pest infestations or disease outbreaks includes the degradation and loss of valuable timber resources, which can reduce the future availability of harvestable wood and lower the overall value of the Land Portfolio. These environmental damages may require increased restoration efforts, leading to higher costs and extended recovery periods that further strain the Issuer's financial performance.

Prolonged infestations or severe disease outbreaks could materially impact the Issuer's operations, potentially reducing timber quality and quantity, delaying harvesting schedules, and disrupting supply chains. These factors may collectively have a material adverse effect on the Issuer's business, financial position, operational results, and future prospects, and may ultimately impact the Issuer's ability to fulfil its obligations under the Notes.

4.2.9. Risk of natural disasters and other business disruption

The Issuer's operations are vulnerable to damage or interruption from various natural disasters and business disruptions, power losses, telecommunication failures, terrorist attacks, acts of war, human error, and other events. A significant natural disaster could have a material adverse impact on the Issuer's ability to conduct its business, and insurance coverage may be insufficient to compensate losses that may occur. Although the Issuer has implemented business continuity plans, acts of terrorism, war, civil unrest, violence or human error could cause disruptions to the Issuer's business

or the economy as a whole. Any of these occurrences may have a material adverse effect on the Issuer's business operations, financial conditions, results of operations and cash flows.

4.2.10. Difficulties in assessing the value and legal status of real estates

Despite the assessing models and other sources of information available to the Issuer, the Issuer may not be able to correctly assess the current and future value of the real estates. The Issuer's financing decisions are based in part on information provided by sellers which may be inaccurate or misleading and on which the Issuer may determine an inappropriate value. Any failure to properly assess the value of the real estates could have a material adverse effect on the Issuer's business, financial condition, results of operations, future prospects or cash flows.

4.2.11. Competition risks

Forestry and forest real estate are competitive industries. To maintain the attractiveness of its operations, the Issuer has to react quickly to changes in the competitive environment. Possible responses to competitors' actions include discounts, lower service prices, higher purchase prices for sellers, lower selling prices for purchasers and greater promotion and marketing activities. Such responses to competitors' actions could result in unforeseen substantial expenses adversely affecting the Issuer's financial position and cash flows.

4.2.12. Beneficiaries interest risk

Internal control risk or beneficiaries' interests may conflict with Noteholders' interests. Beneficiaries' interests may in some cases conflict with Noteholders' interests, in particular if the Issuer encounters financial difficulties or is unable to pay its debts as they fall due. Beneficiaries may have an interest in raising funds or entering into other transactions that they believe would enhance their investment in the Issuer, although such transactions may increase the Issuer's indebtedness, require the Issuer to sell assets or otherwise impair the Issuer's ability to make payments on the Notes. Any potential conflict between the beneficiaries on the one hand and the investors on the other hand may have a material adverse effect on the value of the Notes.

4.2.13. Reliance on third party contractors

The Issuer utilizes external service providers in its operations in connection with maintaining the Land Portfolio and providing forest maintenance services to clients, generally in relation to the logging activities, mowing of land that is not covered by forest and similar. The availability, terms and conditions, price, and quality of these external services may have a material adverse effect on the Issuer's business, result of operations, and financial condition. Nevertheless, the Issuer does not regard this risk as a major risk, because firstly, the Issuer chooses service providers with due care, and secondly, in case of a failure of a service provider to provide a service, the Issuer is able to find a replacement or is able to provide the services itself.

4.3. Risks related to the Notes

4.3.1. Notes repayment risk

The Senior Series of Notes will rank pari passu with the Issuer's other senior secured Financial Indebtedness. In the event of the Issuer's insolvency, Noteholders of the Senior Series will have the same rights to repayment as other secured creditors of the Issuer in accordance with applicable local legislation. There are no contractual arrangements or transaction documents in place that would subordinate the claims of Senior Series Noteholders to other secured obligations of the Issuer.

The Junior Series of Notes will rank below the Senior Series. As a result, Noteholders of the Junior Series face a higher risk of reduced or no repayment in a distressed scenario, depending on the value of the secured assets and the amounts outstanding under senior-ranking indebtedness.

While the Issuer is not restricted from incurring additional Financial Indebtedness, such indebtedness cannot rank higher than the Senior Series of Notes. Nevertheless, the assumption of additional pari passu indebtedness could increase the Issuer's overall debt burden, thereby reducing recovery prospects for Noteholders in a distressed scenario

4.3.2. Credit risk

By investing in the Notes, the Investors become creditors of the Issuer, hence they are subject to the credit risk. The Issuer is solely responsible for making the payments arising from the Notes. However, the Issuer may fail to make such payments to the investors in full or in part in a due and timely manner. The ability of the Issuer to execute the payments to the Investors arising from the Notes depends on the financial position and the results of operations of the Issuer. The inability of the Issuer to make such payments may be caused or intensified by other risk factors set out in this Base Prospectus or factors not included in the Base Prospectus.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations arising out of the Notes when they fall due actually has not decreased, market participants might nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the relevant industries sector adversely changes. If any of these risks occur, third parties may only be willing to purchase the Notes for a lower price than before materialization of said risk. The market value of the Notes may therefore decrease.

4.3.3. Refinancing risk

At maturity of the Notes, the Issuer may be required to refinance debt or sell the assets of the Issuer. The Issuer's ability to successfully refinance such debt or sale is dependent on the conditions of the financial markets in general at such time. As a result, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations or sell the assets on favourable terms could have a material adverse effect on the Issuer's business, financial condition and results of operations and on the Investor's recovery under the Notes.

4.3.4. Fixed interest rate and inflation

The Notes will bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, market interest rates typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security provides competitive risk-adjusted return. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security provides competitive risk-adjusted return. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can result in losses for the Noteholders if they sell the Notes. Furthermore, past performance of the Notes is not an indication of their future performance.

4.3.5. No listing or admission

The Issuer is not and there is no plan or undertaking to list or admit the Notes on regulated market or multilateral trading facility meaning that the Notes will have very limited market if any. Meaning that Noteholders may be limited to hold the Notes until maturity.

4.3.6. Exchange rate risk

The Notes are denominated in EUR currency. If the Investor measures the payments related to the Notes in another currency, the Investor faces risk that the actual payments received may be lower than expected due to the depreciation of EUR currency against the currency of the reference used by the Investor.

4.3.7. No limit for additional Financial Indebtedness

This Base Prospectus does not prescribe limitation for the Issuer to acquire additional Financial Indebtedness if such Financial Indebtedness is from third persons and such Financial Indebtedness is not given priority over the Notes.

4.3.8. No assurance on change of laws or practices

The Notes are governed by the laws of the Republic of Latvia. Latvian laws (including but not limited to tax laws) and regulations governing the Notes may change during the life of the Notes, and new judicial decisions can be issued and/or new administrative practices be adopted. No assurance can be given as to the impact of any of such possible changes of laws or regulations, or new judicial decisions or administrative practices taking place after the date of this Base Prospectus. Hence, such change may have a material adverse effect on the Issuer's business, financial condition, results of operations and/or future prospects and, thereby, the Issuer's ability to fulfil its obligations under the Notes, as well as taxation of the Notes, and the market price of the Notes. Such events may also result in material financial losses or damage to the Noteholders.

4.3.9. Risk of investors' resolution

Certain terms of the Notes may be amended by a resolution adopted at a duly convened Meeting of Noteholders in accordance with the quorum and voting requirements set out in Section 11.24. A duly adopted resolution will be binding on all affected Noteholders, including Noteholders who did not participate in the Meeting or voted against the resolution. Upon approval, such a resolution shall be binding on all the Investors, including the Investors who did not participate in the meeting or who voted against the decision taken. Hence, the Investor faces a risk that certain rights in relation to the Notes may be amended, decreased, or cancelled without his or her consent or against his or her will.

4.3.10. Long remedy periods and procedural requirements may delay Noteholders' remedies

The Terms and Conditions of the Notes provide for grace periods, remedy periods, and procedural requirements before certain breaches may constitute an Event of Default or before remedies may be exercised by or on behalf of the Noteholders.

In particular, a failure by the Issuer to make payments under the Notes will constitute an Event of Default only if such failure continues for 60 Business Days from the relevant due payment date. A breach of financial covenants will constitute an Event of Default only if the Issuer has not remedied such breach within 180 days after receipt of the relevant breach notice. Other breaches, including breaches of the Collateral Agreements or certain undertakings, are also subject to remedy periods before they constitute Events of Default.

During such grace or remedy periods, the Issuer's financial position, the value of its assets, the value of the Collateral, or the practical recovery prospects of the Noteholders may deteriorate. The existence of such periods may delay the acceleration of the Notes, the initiation of enforcement action, and other remedies available to the Noteholders, even where the underlying breach may be material.

In addition, Debitum Investments is not under an obligation to investigate whether an Event of Default has occurred and may rely on information received from the Issuer, the Noteholders, or other sources. If Debitum Investments is notified or otherwise determines that an Event of Default has occurred, notification to Noteholders may also be subject to the time periods set out in this Base Prospectus.

Accordingly, Noteholders may not be able to react immediately to breaches by the Issuer, and any delay in acceleration, enforcement, or other recovery action may materially adversely affect the amounts recoverable by the Noteholders under the Notes.

4.3.11. Risk of unsuitable type of investment

The investment in the Notes may not be a suitable investment for all Investors therefore, each potential investor should evaluate the suitability of such investment in the Notes to his or her own particular circumstances. Each investor considering investing in the Notes must have sufficient knowledge and experience to be able to do a proper assessment of the possible consequences of such an investment

in the Notes, including a proper evaluation of the potential risks and likelihood of the expected benefits. The investor must understand in detail all the information provided in this Base Prospectus. The investor must be able to assess and understand what impact the investment in the Notes will have on his/her overall investment portfolio and how such investment may further affect his/her financial situation and liquidity. The investor must be prepared and have sufficient financial resources to bear the risks and sustain the possible losses related to the Notes. Some investors, in particular regulated entities, may be subject to certain restrictions or regulations on investments, therefore, each investor should verify whether the investor is permitted to invest in the Notes.

4.3.12. Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Potential investors should consult their legal advisors to determine whether and to what extent (i) the Notes are a legal investment for them and (ii) other restrictions apply to their purchase of the Notes. Financial institutions should consult their legal advisors or appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk based capital or similar regulations.

4.3.13. No ownership and voting rights

The Notes are not equity securities, they do not confer any legal or beneficial ownership interest to the Noteholders and do not carry any rights similar to those arising out of equity securities. The Noteholders are not entitled to receive dividends. The Notes are a debt instrument and give the Noteholders as debtors the claim rights only to the outstanding payments arising from the Notes according to the Base Prospectus and the Final Terms of the Notes.

By investing in the Notes, the Noteholders shall not acquire voting rights in the General Meetings of the Issuer and will not be able to participate in any way in the decision-making of the shareholders of the Issuer or to influence such decisions in any way. The Noteholder should be aware that the General Meeting may take decisions that may negatively affect the market price or liquidity of the Notes.

4.3.14. Early redemption

The Issuer has the right to redeem the Notes before the Maturity Date (Call Option). If the Issuer exercises this right, the return on investment for the Notes may be lower than expected, as Noteholders may be unable to reinvest the redemption proceeds in securities with a comparable interest rate or risk profile. Furthermore, the Issuer's early redemption right may adversely affect the market value and liquidity of the Notes.

The Final Terms may provide that a Noteholder may propose (but not require) early redemption of all or part of the Notes it holds (Early Redemption at the request of the Noteholder). Any such proposal constitutes a request only and is not binding on the Issuer. The Issuer has the option, at its absolute discretion, to accept or reject any request based on factors it considers relevant, at its sole and exclusive discretion, including market conditions, funding requirements, or other considerations. The Noteholders should therefore not rely on being able to redeem their Notes prior to maturity. If the Issuer does not accept a request for early redemption, Noteholders will be required to continue holding the Notes until maturity (or until any earlier redemption at the option of the Issuer). This may adversely affect a Noteholder's liquidity position, as there may be no secondary market for the Notes, and Noteholders may be unable to sell their Notes at a desired price or at all. Even where the Final Terms permit Noteholders to submit early redemption requests, such requests are not binding on the Issuer, and the timing for the Issuer’s review, acceptance, determination of the Redemption Date and payment of the Redemption Amount may be long. Therefore, Noteholders should not rely on early redemption as a source of liquidity.

4.3.15. The Notes are not covered by deposit protection and guarantee schemes

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

The Noteholders are exposed to the credit risk of the Issuer and to the other risks described in this Base Prospectus. If the Issuer is unable to fulfil its obligations under the Notes, the Noteholders may lose part or all of the amounts invested in the Notes

4.4. Risks related to the Collateral

4.4.1. Risks associated with the Collateral Agent Agreement

The Noteholders are represented by the Collateral Agent in all matters relating to the Collateral. There is a risk that the Collateral Agent, or any person appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing, or taking other necessary actions in relation to the Collateral.

Subject to the terms of the Collateral Agent Agreement, the Collateral Agent is entitled to enter into agreements with third parties or take other actions necessary for the purpose of maintaining, releasing, or enforcing the Collateral, or for the purpose of settling, among others, the Noteholders' rights to the Collateral. Any failure, delay, or omission by the Collateral Agent or its appointed representatives may adversely affect the ability of the Noteholders to recover amounts due under the Notes.

4.4.2. Risks associated with the value of the Collateral

The value of the Collateral is not fixed and may fluctuate over time. The Collateral consists of a commercial pledge over all movable assets of the Issuer as an aggregation of things and a commercial pledge over all shares of the Issuer. The value of such Collateral depends on the composition, quality, liquidity, market value, and enforceability of the Issuer's assets and the pledged shares from time to time.

The value of the Issuer's assets may be adversely affected by changes in the market value of forest and agricultural land, timber prices, liquidity of land transactions, environmental conditions, regulatory restrictions, valuation uncertainty, enforcement delays, and insolvency-related limitations. In an enforcement scenario, the Collateral may need to be realised within a limited timeframe or under distressed market conditions, which may result in recovery values materially below book value, valuation value, or expected market value.

The value of the pledged shares depends primarily on the value and financial condition of the Issuer. If the Issuer's assets decrease in value, if the Issuer incurs additional liabilities, if the Issuer's business underperforms, or if the Issuer becomes insolvent, the value of the pledged shares may be materially reduced or may be negligible.

Any maximum secured amount specified in the Collateral Agreements or registered with the Commercial Pledge Register of the Republic of Latvia represents the maximum amount of secured obligations for registration purposes and should not be interpreted as the value of the Collateral, a valuation of the Issuer's assets, or a collateral coverage ratio. Accordingly, there can be no assurance that the value recoverable from the Collateral will correspond to the maximum secured amount or will be sufficient to satisfy all amounts due to the Noteholders.

The Collateral Agent does not supervise the quality, composition, or value of the Collateral on a continuous basis. Accordingly, there can be no assurance that enforcement of the Collateral would generate sufficient proceeds to satisfy all amounts due to the Noteholders.

4.4.3. The Collateral does not include a mortgage over the Land Portfolio

The Collateral does not include a mortgage over the Land Portfolio. Accordingly, the Notes are not directly secured by mortgages over the real estate assets comprising the Land Portfolio.

Although the value of real estate assets may be taken into account for the purposes of calculating the Economic Asset Cover Ratio or other financial covenants, such inclusion does not create mortgage rights or direct security rights over the Land Portfolio in favour of the Noteholders or the Collateral Agent. In the event of enforcement or insolvency of the Issuer, the Noteholders may be treated as unsecured creditors with respect to real estate assets that are not subject to a valid and registered mortgage or other separate security interest in favour of the Collateral Agent.

As the Issuer's business model is expected to involve the acquisition and holding of forest and agricultural land, the absence of mortgages over the Land Portfolio may materially affect the practical recovery prospects of the Noteholders. The Noteholders' recovery may therefore depend on the value of the commercial pledge over the Issuer's assets as an aggregation of things, the pledged shares, and the related rights and enforcement mechanisms available under the Collateral Agreements, rather than on direct enforcement of mortgages over real estate.

The Land Portfolio may represent the main economic asset base of the Issuer, but it is not directly pledged by way of mortgage. Any recovery value linked to the Land Portfolio would depend on indirect enforcement routes, including enforcement over the pledged shares, related rights, receivables or sale proceeds, and may be delayed or materially reduced.

4.4.4. The Collateral is subject to statutory and contractual limitations and may not cover certain assets directly

The Collateral provides the Collateral Agent, acting for the benefit of the Noteholders, with security for claims against the Issuer. However, the scope of the Collateral is subject to mandatory limitations under applicable law and the terms of the relevant Collateral Agreements.

The Notes will be secured by first-ranking commercial pledges as Collateral in accordance with the Collateral Agreements. In addition to the Collateral, there are no other third-party collaterals that would secure the claims of the Noteholders in accordance with this Base Prospectus and the Final Terms. The Collateral consists of: (i) a commercial pledge over all movable assets of the Issuer as an aggregation of things at the time of pledging, as well as future components of such aggregation of things, registered with the Commercial Pledge Register of the Republic of Latvia; and (ii) a commercial pledge over all shares of the Issuer registered with the Commercial Pledge Register of the Republic of Latvia.

The commercial pledge over all movable assets of the Issuer as an aggregation of things does not create a mortgage over real estate and does not, by itself, create direct security over assets which, under applicable law, require separate registration, separate perfection or a separate security instrument in order to be validly pledged or perfected, including real estate, vehicles, intellectual property, vessels, financial instruments recorded in a financial instruments account, credit claims subject to financial collateral and other separately registrable assets. The Collateral also does not create separate financial collateral or a direct pledge over cash standing to the Issuer's bank accounts, unless such assets or rights are separately and validly pledged or perfected.

As a result, the assets that may be relevant for the Issuer's business, balance sheet or covenant calculations may not necessarily correspond to the assets over which the Noteholders have direct and perfected security rights. Therefore, the value recoverable from the Collateral may be materially lower than the value of the Issuer's total assets or the value used for covenant calculation purposes.

4.4.5. Recovery may depend on related rights and practical enforcement mechanisms under the Collateral Agreements

The practical recovery of amounts due to the Noteholders may depend not only on the formal registration of the commercial pledges, but also on the related rights and enforcement mechanisms available under the Collateral Agreements and applicable law.

The Share Pledge Agreement covers certain rights attached to the pledged shares, including rights to dividends, liquidation proceeds, capital reduction payments, voting rights, and subscription rights to new shares. The Asset Pledge Agreement covers certain rights relating to income, proceeds, claims, receivables, insurance proceeds, interest, penalties, and other payments connected with the pledged assets.

Following an Event of Default, the Collateral Agreements may also provide the Collateral Agent with certain practical enforcement tools, including mechanisms for taking control over pledged assets, exercising related rights, and requesting that debtors or other relevant third parties make payments directly to the Collateral Agent. However, the effectiveness of such mechanisms may depend on the nature of the relevant rights, the terms of the relevant contracts, the cooperation of debtors or third parties, applicable law, registration or notification requirements, and the timing of enforcement.

There can be no assurance that the Collateral Agent will be able to exercise such related rights or payment redirection mechanisms promptly or effectively, or that such rights and mechanisms will generate proceeds sufficient to satisfy all amounts due to the Noteholders.

An illustrative, non-binding description of potential recovery mechanics in different scenarios is set out in Section 8.3.4 ("Illustrative recovery mechanics (not a forecast)") of this Base Prospectus. That description is illustrative only, does not constitute a forecast and does not reduce or eliminate the risks described in this Section 4.4

4.4.6. The enforcement of the Collateral will be subject to the procedures and limitations set out in the Collateral Agent Agreement and this Base Prospectus

Even where the Collateral is valid and enforceable, enforcement will not occur automatically. The Collateral Agent may enforce the Collateral only in accordance with the procedures and limitations set out in the Collateral Agent Agreement, the Collateral Agreements, this Base Prospectus, and applicable law.

In particular, enforcement of the Collateral may depend on the occurrence of an Event of Default and the adoption of a decision by the Noteholders' Meeting instructing the Collateral Agent to enforce the Collateral. The Noteholders do not have independent power to enforce the Collateral or to exercise rights arising under the Collateral Agreements, except through the Collateral Agent and in accordance with the procedure set out in this Base Prospectus and the Collateral Agent Agreement.

The Collateral Agent may also request instructions or clarification from the Noteholders as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, or discretions in relation to enforcement of the Collateral. The Collateral Agent may refrain from acting until the required instructions or clarifications have been provided and may also refrain from acting until it has received such indemnification or security as it may require for costs, claims, losses, expenses, and liabilities which it may incur in complying with such instructions.

Accordingly, even where an Event of Default has occurred, the Collateral Agent may not be able, or may not be required, to take immediate enforcement action. Such procedural requirements may result in delays, additional costs, and reduced recovery values, particularly where the Collateral needs to be realised quickly or under distressed market conditions.

There can be no assurance that the Noteholders will be able to instruct the Collateral Agent to initiate enforcement procedures in a timely manner, or that enforcement of the Collateral, once initiated, will be completed within a timeframe or at a value sufficient to satisfy all amounts due to the Noteholders.

4.4.7. The rights of the Noteholders depend on the Collateral Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of the Collateral Agent as the agent and representative of the Noteholders in relation to the Collateral.

Only the Collateral Agent is entitled to exercise the rights under the Collateral and enforce the Collateral. The Noteholders do not have independent power to enforce the Collateral or to exercise rights arising under the Collateral Agreements, except through the Collateral Agent and in accordance with the procedure set out in this Base Prospectus and the Collateral Agent Agreement.

Any failure by the Collateral Agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Noteholders and the timing and amount of any recoveries from the Collateral. The financial standing, operational capacity, actions, omissions, decisions, or delays of the Collateral Agent may therefore have a material adverse effect on the Noteholders' ability to recover amounts due under the Notes.

4.5. Risks specific to Debitum Investments

4.5.1. Inability to continue operations

Various events and failures could cause situations where Debitum Investments and the Platform are 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 Noteholder' s ability to receive repayment on time under the Notes.

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 Notes.

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 Notes by the Noteholders.

4.5.2. 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 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 Notes.

4.5.3. Failure of IT systems or a security breach

The technology that Debitum Investments has developed over the years is a cornerstone of Debitum Investments' future success. The satisfactory performance, reliability, and availability of the Platform are 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, Debitum Investments and Debitum Investments ' clients may not be compensated for any losses incurred. Nevertheless, as IT systems are crucial to Debitum Investments' operations, Debitum Investments devotes substantial resources to ensuring the stable and uninterrupted performance of its IT systems.

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

Debitum Investments clients' funds, including the fund being deposited on behalf of the Issuer for settlement under the Notes, 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.

4.5.5. 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 Noteholder. 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 Noteholder may not be able to access the Platform or receive services.

4.5.6. Certain situations or actions may raise conflicts of interests

While the rights and responsibilities of Debitum Investments, the Issuer, and the Collateral Agent are set out in the Transaction Documents and this Base Prospectus, and Debitum Investments has established policies and procedures to identify, prevent, and manage conflicts of interest, conflicts of interest between the parties may arise and may not always be capable of being fully prevented or mitigated.

Debitum Investments provides placement services to the Issuer with respect to the Notes and may also provide infrastructure, administration, paying agent, register maintenance, and other related services in connection with the issue, placement, servicing, and administration of the Notes. Debitum Investments may receive fees from the Issuer for such services. Such fees may constitute inducements within the meaning of applicable regulatory requirements. Where applicable, Debitum Investments will assess, manage, and disclose such inducements to the Noteholders in accordance with applicable requirements.

Debitum Investments may have a commercial interest in the successful issue and placement of the Notes and in the continuation of its contractual relationship with the Issuer. The Issuer may also have an interest in obtaining financing on terms favourable to it, including by issuing further Series or Tranches of Notes under the Programme. Such interests may not always be fully aligned with the interests of the Noteholders.

Potential conflicts of interest may also arise in connection with the Collateral Agent's exercise of its rights and performance of its obligations in relation to the Collateral. The Collateral Agent acts in the interests of the Noteholders collectively and, where required under this Base Prospectus and the Collateral Agent Agreement, acts on the basis of resolutions or instructions of the Noteholders. However, to the extent that the Collateral Agent is entitled to exercise discretion regarding the timing

or manner of enforcement or other actions in relation to the Collateral, its actions or decisions may not necessarily correspond to the preferences or interests of an individual Noteholder.

Debitum Investments has established internal procedures to identify, prevent, and manage conflicts of interest. For example, according to internal procedures, in the event of a conflict of interest, the relevant member of the management board or Credit Committee does not participate in the discussion and voting on the relevant issue and leaves the meeting during the consideration of the issue. The fact of the conflict of interest is recorded in the minutes of the meeting. Where a conflict of interest cannot be fully prevented, Debitum Investments will manage and, where required, disclose such conflict in accordance with applicable laws and its internal procedures.

However, such procedures may not be sufficient to eliminate all conflicts of interest or prevent adverse effects on the Noteholders. If such conflicts are not properly identified, managed, or disclosed, decisions may be made or delayed in a manner that is more favourable to Debitum Investments, the Issuer or other relevant persons than to the Noteholders. This could result in delayed payments, reduced recoveries, insufficient enforcement action, or partial or full loss of the amounts invested in the Notes.

5. RESPONSIBILITY STATEMENT

The person responsible for the information given in this Base Prospectus is the Issuer, represented by the members of the Issuer's Management Board, representing the Issuer. The Issuer, represented by the members of its Management Board, accepts responsibility for the fullness and correctness of the information contained in this Base Prospectus as of the date hereof. Having taken all reasonable care to ensure that such is the case, the Issuer believes that the information contained in this Base Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts, and contains no omission likely to affect its import.

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

Edgars Birks
Chairperson of the Management Board
SIA "Latvijas Meža Attīstības Fonds"

Gatis Melderis
Member of the Management Board
SIA "Latvijas Meža Attīstības Fonds"

Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Base Prospectus solely on the basis of the summary of this Base Prospectus, which will be annexed to the Final Terms of each Tranche, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Furthermore, Debitum Investments and the Collateral Agent expressly disclaim any liability based on the information contained in this Base Prospectus, the summary of this Base Prospectus or individual parts hereof and will not accept any responsibility for the correctness, completeness or import of such information. No information contained in this Base Prospectus or disseminated by the Issuer in connection with the Offering may be construed to constitute a warranty or representation, whether express or implied, made by Debitum Investments or the Collateral Agent to any party.

Neither the Issuer, Debitum Investments nor the Collateral Agent will accept any responsibility for the information pertaining to the Offering, the Issuer or its operations, where such information is disseminated or otherwise made public by third parties either in connection with this Offering or otherwise.

By participating in the Offering, Investors agree that they are relying on their own examination and analysis of this Base Prospectus (including the financial statements of the Issuer which form an indispensable part of this Base Prospectus) and any information on the Issuer that is available in the public domain. Investors must also acknowledge the risk factors that may affect the outcome of such an investment decision (as presented in Section 4 (RISK FACTORS)).

Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

6. OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the General Terms and Conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Notes should be based on a consideration by the investor of the Base Prospectus as a whole.

Words and expressions defined in the General Terms and Conditions of the Notes below or elsewhere in this Base Prospectus have the same meanings in this overview.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Delegated Regulation.

Issuer:	SIA "Latvijas Meža Attīstības Fonds"
Legal Entity Identifier (LEI):	984500D13C2N42C61F59
Programme Limit:	Up to EUR 80,000,000 aggregate nominal amount of Notes outstanding at any one time.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in Section 4 “RISK FACTORS” above.
Method of Issue	The Notes shall be issued in Series. Each Series may comprise one or more Tranches of Notes. The Notes of each Tranche will all be subject to identical terms, except that the Issue Dates and the Issue Prices thereof may be different in respect of different Tranches.
Form of the Notes:	The Notes are issued by the Issuer in registered form, which are deposited and held as book entry with Debitum Investments.
Status and Security:	The Notes constitute direct and secured obligations of the Issuer and benefit from the Collateral. The Senior Series rank pari passu among themselves, without any preference among them, and rank ahead of the Junior Series in accordance with the Priority of Payments and the provisions governing the application of proceeds from enforcement of the Collateral. The Junior Series rank pari passu among themselves and benefit from the same Collateral as the Senior Series. However, the rights of the Noteholders of the Junior Series to receive payments and recoveries are contractually subordinated to the rights of the Noteholders of the Senior Series in accordance with the Priority of Payments and the provisions governing the application of proceeds from enforcement of the Collateral.

	The foregoing is subject to any obligations mandatorily preferred by applicable law. The Notes are not directly secured by a mortgage over the Land Portfolio. The commercial pledge over all movable assets of the Issuer as an aggregation of things does not cover real estate, cash or other financial funds, or financial instruments.
Currency:	EUR
Denomination:	The nominal amount of each Note shall be specified in the Final Terms.
Issue Price:	The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount.
Minimum Subscription Amount:	The minimum subscription amount is 1,000 (one thousand) Notes.
Interest:	The Notes will bear interest at a fixed annual interest rate as specified in the Final Terms.
Maturity:	The Notes shall be repaid in full at their nominal amount on the date which will be specified in the Final Terms. Each Series of Notes may have a maturity up to 5 (five) years.
Listing:	There will be no application made to Nasdaq Riga or any other venue for admitting each Series or Tranche to listing and/or trading on a regulated market or multilateral trading facility.
Taxation:	The Issuer shall make payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Noteholders in respect of such withholding or deduction.
Rating:	Neither the Issuer nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.
Governing Law:	Latvian law.
Dispute Resolution:	Any disputes relating to or arising in relation to the Notes shall be settled solely by the courts of the Republic of Latvia of competent jurisdiction.

Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Base Prospectus, see Section 7.5 “Restrictions on distribution”..

7. GENERAL INFORMATION

7.1. 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.

7.2. Final Terms

Each Series of the Notes will be issued on the terms and conditions set out in the Section 11 'TERMS AND CONDITIONS OF THE NOTES' 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 14 'APPLICABLE FINAL TERMS'.

7.3. 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 Notes, must be read and construed together with the relevant applicable Final Terms.

7.4. 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 Notes, 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 Notes.

7.5. Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms, and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and Debitum Investments to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will

not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

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

It is prohibited to offer, purchase or transfer the Notes to residents of the Russian Federation or the Republic of Belarus.

7.6. Reasons for the offer and use of proceeds

The Issuer expects that the net proceeds of any Series of the Notes will equal the Aggregate Nominal Amount of the relevant Series minus the commission of Debitum Investments, which equals up to 4% of the total Aggregate Nominal Amount of the relevant Series.

The net proceeds from the issue of the Notes will be used to: (i) finance the acquisition of new forest and related agricultural land in order to grow the Land Portfolio; (ii) finance the working capital of the Issuer; and (iii) refinance Financial Indebtedness of the Issuer existing at the time of issue of the relevant Series, including, where applicable, obligations arising under previously issued Notes.

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

7.7. Programme limit

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 80,000,000 (eighty million euro).

7.8. 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.

7.9. Ratings

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

7.10. 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.

7.11. Interests of persons in the Notes offer

Debitum Investments provides placement services to the Issuer with respect to the Notes and may also provide infrastructure, administration, paying agent, register maintenance, and other related services in connection with the issue, placement, servicing, and administration of the Notes. Debitum Investments may receive fees from the Issuer for such services. Such fees may depend, among other things, on the volume of Notes issued, placed, or outstanding from time to time. Accordingly, Debitum Investments may have a commercial interest in the successful issue and placement of the Notes.

Such fees may constitute inducements within the meaning of applicable regulatory requirements. Where applicable, Debitum Investments will assess, manage, and disclose such inducements to the Noteholders in accordance with applicable requirements.

The interests described above may give rise to actual or potential conflicts of interest between the Issuer, Debitum Investments, and the Noteholders. Debitum Investments has established internal policies and procedures for identifying, preventing, and managing conflicts of interest. Where a conflict of interest cannot be fully prevented, Debitum Investments will manage and, where required, disclose such conflict in accordance with applicable laws and its internal procedures.

No person involved in the offer of the Notes has informed the Issuer of any other interest material to the offer.

7.12. Third-party information and market information

Certain information contained in this Base Prospectus has been obtained from third parties. Such information is accurately reproduced and, as far as the Issuer is aware and can ascertain from the information published by the third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Statistical information included in this Base Prospectus has been derived from official public sources, including the statistical releases. All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available, and any such revised data will not be circulated by the Issuer to Investors who have purchased the Notes. In some cases, independently determined industry data is not available. In these cases, any market share data included in this Base Prospectus is referred to as having been estimated. All such estimates have been made by either the Issuer using its information and other publicly available market information. Prospective investors are encouraged to conduct their own analysis of the relevant areas of activity or employ a professional consultant.

7.13. Information Incorporated by Reference

The following information is incorporated in this Base Prospectus by reference in accordance with Article 19 of the Prospectus Regulation:

- the Issuer's audited financial statement for the year ended 31 December 2024 together with the independent auditor's report: (https://www.lfdf.eu/uploads/documents/eng-annual-report-2024-lmaf.pdf);
- the Issuer's audited financial statement for the year ended 31 December 2025: (https://www.lfdf.eu/uploads/documents/lfdf-annual-report2025-eng.pdf);
- the Issuer's independent auditor's report for the Issuer's audited financial statement for the year ended 31 December 2025: (https://www.lfdf.eu/uploads/documents/eng-lfdf-auditor-report-2025.pdf);
- the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026: (https://www.lfdf.eu/uploads/documents/lfdf-operative-balance-q2-2026.pdf).

7.14. No incorporation of website information

Unless specifically incorporated by reference into this Base Prospectus, information on the website (www.debitum.investments) 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.

7.15. Processing of Investors' personal data

In connection with the offer, issue, servicing, and administration of the Notes, personal data of Investors may be processed by Debitum Investments, the Issuer, and, where applicable, other parties involved in the transaction, including the Collateral Agent, paying agent, auditors, legal advisers, competent authorities, and other service providers.

Such personal data may be processed for the purposes of providing investment services through the Platform, administering the Notes and the Investment Accounts, complying with legal and regulatory obligations, performing anti-money laundering, sanctions, tax, and investor protection checks, processing payments, maintaining records, communicating with Investors, and exercising or defending legal claims.

The processing of Investors' personal data is carried out in accordance with applicable data protection laws, including Regulation (EU) 2016/679. Further information on the processing of personal data, including the categories of personal data processed, legal bases for processing, recipients of personal data, retention periods, and Investors' rights, is available in the privacy policy published on the Platform.

For the avoidance of doubt, this Base Prospectus does not constitute a privacy notice, and Investors should read the applicable privacy policy and client documentation available on the Platform before subscribing for or purchasing any Notes.

8. TRANSACTION OVERVIEW

The Notes are not directly secured by a mortgage over the Land Portfolio. The commercial pledge over all movable assets of the Issuer as an aggregation of things does not cover real estate, cash or other financial funds, or financial instruments.

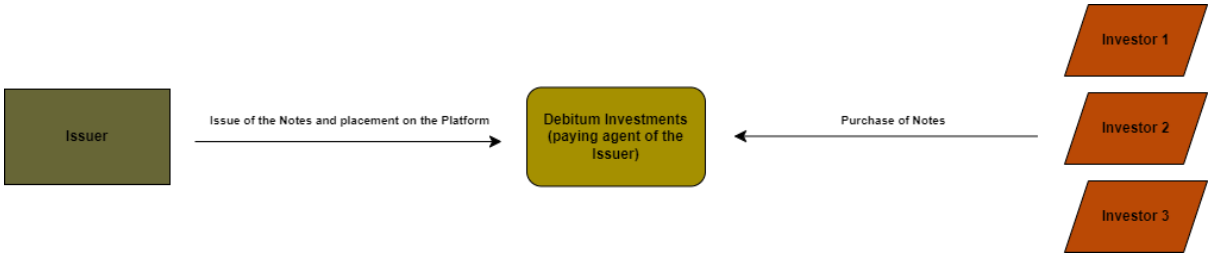
The Land Portfolio may represent the main economic asset base of the Issuer, but it is not directly pledged by way of mortgage. Any recovery value linked to the Land Portfolio would depend on indirect enforcement routes, including enforcement over the pledged shares, related rights, receivables or sale proceeds, and may be delayed or materially reduced.

8.1. The Description of the transactions in relation to the Notes

8.1.1. The Issuer, Debitum Investments and the Collateral Agent

The Issuer, the Shareholder, Debitum Investments and the Collateral Agent have entered into, or will enter into, the relevant Transaction Documents to which each of them is a party in connection with the issue and sale of the Notes, as described in this Base Prospectus.

8.1.2. Issue of the Notes



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 Issuer will make payments directly to Debitum Investments and Debitum Investments will make payments directly to the Noteholders.

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

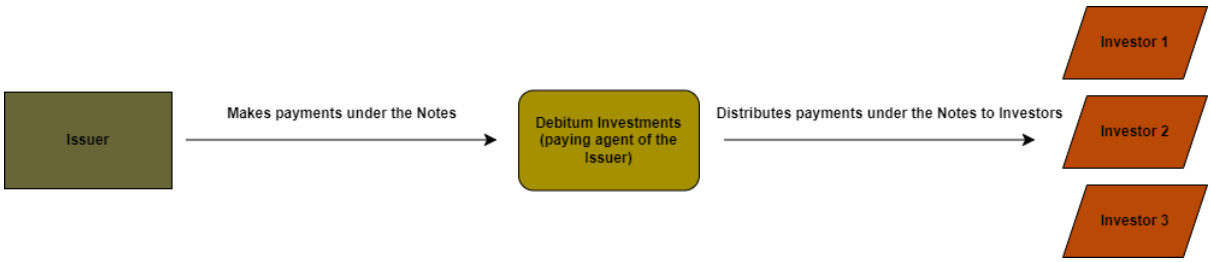
Information about the offer results of the Notes is published on the Platform (www.debitum.investments) in real-time starting from the Issue Date of the Notes. Subscriptions will not be reduced, which means a refund of amounts paid in excess does not apply. The Issuer does not expect any conditions to which the offer of the Notes would be subject. To purchase Notes from the Issuer, the Investor registered on the Platform submits a Notes subscription order by pressing the "Invest" or "Subscribe" button or a similar button in the "Invest" section of the Platform, indicating the amount of money that the Investor wishes to invest in particular Notes. When the Investor's Notes 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 Note issue, and all Investor's Notes subscriptions collected from the Investors during that day are closed and the Investor's purchased Notes 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 Notes subscriptions are executed immediately without providing the so called "period of reflection" to Investors during which Investors are entitled to recall the Notes subscriptions.

Minimum subscription amount is 1,000 (one thousand) Notes. The maximum subscription amount is up to the Aggregate Nominal Amount for the relevant Tranche of the Notes, but subject to the nominal amount of the Notes being available for purchase from the Issuer as at execution time of the Notes subscription order at Debitum Investments.

No expenses are expected to be charged to the Investor by the Issuer when purchasing the Notes. 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 Notes.

The Issuer expects that net proceeds of any Series of the Notes will equal the Aggregate Nominal Amount of the relevant Series minus the fee payable to Debitum Investments.

8.1.3. Payments under the NOTES



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 Notes from the Issuer and the Notes are recorded by Debitum Investments in the Investor's financial instruments account with Debitum Investments.

The Notes are interest-only financial instruments, which means that only interest is paid daily or monthly during the term of the Notes, while the principal amount outstanding of the Notes is paid at maturity of the Notes.

8.1.4. No credit enhancement

The Notes have no credit enhancements and no liquidity support in relation to payment of interest or principal. The Issuer has an obligation to make payment on the Notes, Debitum Investments, as paying agent, has no obligation to make payment on the Notes unless sufficient funds have been received from the Issuer.

8.2. TRANSACTIONS DOCUMENTS

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

8.2.1. Cooperation Agreement

General

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

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 arranger, placement agent, calculation agent, transfer agent and paying agent of the Issuer in relation to the Notes.

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.

8.2.2. Collateral Agent Agreement

General

The Collateral Agent Agreement contains the agreement between the Issuer and Collateral Agent on the matters related to the rights and obligations of the Collateral Agent in relation to the establishment, maintenance, and enforcement of the Collateral as described in this Base Prospectus. The Collateral Agent Agreement is available upon request from the Issuer.

Collateral Agent

Collateral Agent acts as a representative of the Noteholders in relation to the to the establishment, maintenance, and enforcement of the Collateral.

Governing law

The Collateral Agent 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.

8.2.3. Asset Pledge Agreement

General

The Asset Pledge Agreement contains the agreement between the Issuer and Collateral Agent on the establishment of a commercial pledge over all movable assets of the Issuer as an aggregation of things at the time of pledging, as well as future components of such aggregation of things.

Maximum secured amount

At any time while any Notes are outstanding, the maximum secured amount under the Asset Pledge Agreement and the respective commercial pledge registered with the Commercial Pledge Register of the Republic of Latvia shall be not less than 150% of the aggregate principal amount of all Notes outstanding at that time.

This amount is the maximum secured claim amount for registration purposes only. It is not a valuation of the Collateral, does not evidence 150% collateral coverage and does not constitute a minimum recovery amount.

For the avoidance of doubt, the maximum secured amount is the maximum amount of the secured obligations, including the principal claim and ancillary claims, that may be secured by the relevant commercial pledge. Any claim exceeding the agreed maximum secured amount of the relevant commercial pledge shall be deemed an unsecured claim. The maximum secured amount is determined for the purposes of the registration and operation of the commercial pledge and is not a coverage ratio, collateral value, valuation of the pledged assets, or an indicator that the pledged assets have, or will have, a value equal to such amount.

Collateral Agent

The Collateral Agent acts as a representative of the Noteholders in relation to the establishment, maintenance, and enforcement of the Collateral.

Governing law

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

8.2.4. Share Pledge Agreement

General

The Share Pledge Agreement contains the agreement between the Shareholder and Collateral Agent on the establishment of a commercial pledge over all shares of the Issuer.

Maximum secured amount

At any time while any Notes are outstanding, the maximum secured amount under the Share Pledge Agreement and the respective commercial pledge registered with the Commercial Pledge Register of the Republic of Latvia shall be not less than 150% of the aggregate principal amount of all Notes outstanding at that time.

For the avoidance of doubt, the maximum secured amount is the maximum amount of the secured obligations, including the principal claim and ancillary claims, that may be secured by the relevant commercial pledge. Any claim exceeding the agreed maximum secured amount of the relevant commercial pledge shall be deemed an unsecured claim. The maximum secured amount is determined for the purposes of the registration and operation of the commercial pledge and is not a coverage ratio, collateral value, valuation of the pledged shares, or an indicator that the pledged shares have, or will have, a value equal to such amount.

Collateral Agent

The Collateral Agent acts as a representative of the Noteholders in relation to the establishment, maintenance, and enforcement of the Collateral.

Governing law

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

8.3. SCOPE OF COLLATERAL AND PRACTICAL ENFORCEMENT RIGHTS

This Section 8.3 is included for the purpose of assisting investors in understanding the general scope of the Collateral, the practical implications of the Collateral Agreements, and certain rights and mechanisms which may be available to the Collateral Agent under the Transaction Documents. This Section 8.3 is a summary only and does not constitute a contractual undertaking, a representation, a warranty, or a guarantee by the Issuer, the Shareholder, the Collateral Agent, Debitum Investments, or any other person. The rights, obligations, and limitations relating to the Collateral are governed by the Collateral Agreements, the Collateral Agent Agreement, this Base Prospectus, and applicable law. In the event of any inconsistency between this Section 8.3 and the Transaction Documents or applicable law, the Transaction Documents and applicable law shall prevail.

Investors should read this Section 8.3 together with the risk factors set out in Section 4.4 ("Risks related to the Collateral"), including the risk factors relating to the value of the Collateral, absence of mortgage over the Land Portfolio, statutory and contractual limitations of the Collateral, practical recovery mechanisms, enforcement procedures and dependence on the Collateral Agent. The description in this Section 8.3 should not be understood as eliminating or reducing any of those risks.

The Collateral consists of first-ranking commercial pledges to be registered with the Commercial Pledge Register of the Republic of Latvia over: (i) all movable assets of the Issuer as an aggregation of things at the time of pledging, as well as future components of such aggregation of things; and (ii) all shares of the Issuer.

8.3.1. Scope of collateral

Under the Asset Pledge Agreement, the Issuer, as pledgor, pledges in favour of the Collateral Agent, acting for the benefit of the Noteholders, all of its rights, title, and interest in and to all movable assets of the Issuer as an aggregation of things at the time of pledging, as well as future components of such aggregation of things, together with the related rights described below. The Asset Pledge Agreement defines the pledged assets as all movable assets of the Issuer as an aggregation of things at the time of pledging and future components of such aggregation of things.

The related rights under the Asset Pledge Agreement include rights to any income, proceeds, receivables, claims, or fruits arising from or connected with the pledged assets, including insurance proceeds, interest, penalties, or other amounts paid or payable after the date of the Asset Pledge Agreement in connection with the pledged assets.

Under the Share Pledge Agreement, the Shareholder, as pledgor, pledges in favour of the Collateral Agent, acting for the benefit of the Noteholders, all of its rights, title, and interest in and to all shares in the Issuer owned by the Shareholder, together with all related rights described below. As at the date of the Share Pledge Agreement, the Shareholder owns 15,028 shares in the Issuer with share numbers 1–15,028, representing 100% of the share capital of the Issuer. The pledged shares also include any new shares in the Issuer issued to, acquired by, or otherwise owned by the Shareholder during the secured period.

The related rights under the Share Pledge Agreement include all present and future changes in the value and number of the pledged shares, whether by increase or decrease, all improvements to the pledged shares, and all proprietary and non-proprietary rights connected with the pledged shares. Such rights include, without limitation, income and distributions paid or payable in respect of the pledged shares, dividends, liquidation proceeds, share capital reduction payments, whether in cash or in kind, by way of set-off, distribution or otherwise, voting rights, and subscription rights to any new shares.

Until an Event of Default has occurred, the relevant pledgor may receive payments and other benefits arising from the pledged assets and related rights, provided that such payments and benefits are permitted and made in accordance with this Base Prospectus. Following an Event of Default, the related rights and the pledged assets are to be paid and transferred directly to the Collateral Agent upon the relevant instructions of the Collateral Agent, and the relevant pledgor assigns to the Collateral Agent existing and future claims in respect of payments and other benefits arising from the pledged assets and related rights, as further set out in the relevant Collateral Agreement.

The Collateral is intended to secure all present and future obligations and liabilities of the Issuer towards the Noteholders arising under the Notes, together with costs, payments and expenses incurred by the Collateral Agent in connection with the protection, preservation or enforcement of its rights under the secured documents.

The commercial pledge over all movable assets of the Issuer as an aggregation of things does not create a mortgage over real estate and does not, by itself, create direct security over assets which, under applicable law, require separate registration, separate perfection or a separate security instrument in order to be validly pledged or perfected, including real estate, vehicles, intellectual property, vessels, financial instruments recorded in a financial instruments account, credit claims subject to financial collateral and other separately registrable assets. The Collateral also does not create separate financial collateral or a direct pledge over cash standing to the Issuer's bank accounts, unless such assets or rights are separately and validly pledged or perfected. As at the date of this Base Prospectus, the Transaction Documents do not provide for a separate pledge over the Issuer's monetary funds or any other financial collateral in favour of the Collateral Agent.

Accordingly, assets that may be relevant for the Issuer's business, balance sheet or covenant calculations may not necessarily correspond to assets over which the Collateral Agent has direct and separately perfected security rights. In particular, the inclusion of real estate assets in the Issuer's asset base or in financial covenant calculations does not create mortgage rights over such real estate assets in favour of the Collateral Agent or the Noteholders.

In addition to the commercial pledges, the Collateral Agreements provide for certain related rights and practical enforcement mechanisms. The Share Pledge Agreement covers certain rights attached to the pledged shares, including rights to dividends, liquidation proceeds, capital reduction payments, voting rights, and subscription rights to new shares. The Asset Pledge Agreement covers certain rights relating to income, proceeds, claims, receivables, insurance proceeds, interest, penalties, and other payments connected with the pledged assets.

The following table summarises, in simplified form, the scope and practical effect of the Collateral. It is a summary only and is qualified in its entirety by the Collateral Agreements, this Base Prospectus and applicable law:

Pledged right	**What it gives**	**What it does not give**	**Practical recovery limitation**
Commercial pledge over all movable assets	First-ranking registered security over the movable	No mortgage over real estate (including the Land	Recoverable value depends on the

of the Issuer as an aggregation of things (Asset Pledge Agreement)	assets forming the aggregation of things, including future components, together with related rights to income, proceeds, receivables and insurance proceeds	Portfolio); no direct pledge over cash standing to bank accounts; no security over separately registrable assets (e.g. vehicles, intellectual property, vessels, financial instruments recorded in a financial instruments account, credit claims subject to financial collateral), unless separately and validly pledged	composition, liquidity and condition of the pledged assets at the time of enforcement and may be materially lower than balance-sheet or covenant values
Commercial pledge over all shares of the Issuer (Share Pledge Agreement)	First-ranking registered pledge over 100% of the shares in the Issuer, including new shares, together with related rights (dividends, liquidation proceeds, capital reduction payments, voting and subscription rights)	No direct claim to, or security over, the underlying assets of the Issuer; no mortgage over the Land Portfolio	The value of the shares reflects the net equity value of the Issuer and may be significantly reduced, or negligible, if the Issuer is insolvent or in financial distress
Related rights and payment redirection under the Asset Pledge Agreement	Following an Event of Default, the right to require debtors and other relevant third parties to make payments directly to the Collateral Agent	No assurance of debtor or third-party cooperation; no priority over claims mandatorily preferred by applicable law	Effectiveness depends on the nature of the relevant rights, notification requirements, timing of enforcement and third-party cooperation
Related rights under the Share Pledge Agreement	Following an Event of Default, exercise of the rights attached to the pledged shares (including dividends, liquidation proceeds and voting rights) in accordance with the Share Pledge Agreement	No entitlement to distributions where none are lawfully payable; no direct access to the assets of the Issuer	Exercise is subject to the enforcement procedure, corporate law constraints and the financial condition of the Issuer

8.3.2. Limitations to the scope of Collateral

The commercial pledge over all movable assets of the Issuer as an aggregation of things does not create a mortgage over real estate and does not, by itself, create direct security over assets which, under applicable law, require separate registration, separate perfection or a separate security instrument in order to be validly pledged or perfected. This includes, among other things, real estate, vehicles, intellectual property, vessels, financial instruments recorded in a financial instruments account, credit claims subject to financial collateral and other separately registrable assets. The Collateral also does not create separate financial collateral or a direct pledge over cash standing to the Issuer's bank accounts, unless such assets or rights are separately and validly pledged or perfected.

Accordingly, assets that may be relevant for the Issuer's business, balance sheet or covenant calculations may not necessarily correspond to assets over which the Collateral Agent has direct and separately perfected security rights. In particular, the inclusion of real estate assets in the Issuer's asset base or in financial covenant calculations does not create mortgage rights over such real estate assets in favour of the Collateral Agent or the Noteholders.

Following an Event of Default, the Collateral Agreements may also provide the Collateral Agent with certain practical enforcement tools, including mechanisms for taking control over pledged assets, exercising related rights and requesting that debtors or other relevant third parties make payments directly to the Collateral Agent. However, such rights and mechanisms are subject to the terms of the Collateral Agreements, this Base Prospectus and applicable law

8.3.3. Practical enforcement rights

The Collateral Agreements provide the Collateral Agent with certain practical enforcement rights in respect of the Collateral. However, such rights do not apply automatically upon any breach by the Issuer or the Shareholder. Enforcement of the Collateral may be initiated only if an Event of Default has occurred in accordance with Section 11.23 ("Events of Default"), taking into account any applicable grace periods, remedy periods and notification requirements set out therein, including, among others, the remedy periods applicable to breaches of financial covenants, breaches of the Collateral Agreements, breaches of undertakings and invalidity or non-establishment of the Collateral. The general risks arising from such grace periods, remedy periods, and procedural requirements are described in Section 4.3.10 ("Long remedy periods and procedural requirements may delay Noteholders' remedies").

Subject to the occurrence of an Event of Default, enforcement of the Collateral is also subject to the procedure set out in Section 11.26 ("Establishment of the Collateral"). In particular, the Collateral Agent may enforce the Collateral only if an Event of Default has occurred and the Noteholders' Meeting has adopted a decision instructing the Collateral Agent to enforce the Collateral. The Noteholders' Meeting procedure is set out in Section 11.24 ("Meeting of Noteholders").

The Noteholders do not have independent power to enforce the Collateral or to exercise rights arising under the Collateral Agreements. The Noteholders may exercise their rights in relation to the Collateral only through the Collateral Agent and in accordance with this Base Prospectus and the Collateral Agent Agreement. The Collateral Agent may also request instructions or clarification from the Noteholders as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, or discretions in relation to the enforcement of the Collateral, and may refrain from acting until the required instructions, indemnification, or security have been provided.

Following an Event of Default and subject to the procedures described above, the Collateral Agreements allow the Collateral Agent, to the extent permitted under applicable law and the relevant Collateral Agreement, to choose the enforcement method, timing, sequence, and scope of enforcement of the Collateral or any part thereof. Such enforcement rights include, among others, the right to enforce the Collateral by way of a private out-of-court sale without auction, including, where permitted by applicable law, sale at a freely determined price, an out-of-court auction, an auction with court participation, uncontested compulsory enforcement through the court, any other available court or out-of-court enforcement procedure, or any other method permitted under applicable law.

The Collateral Agreements also allow the Collateral Agent, to the extent permitted under applicable law and the relevant Collateral Agreement, to sell any or all pledged assets together with other assets subject to security under the Transaction Documents, decide which available security to enforce and in what order and composition, take possession of the pledged assets or any part thereof, appoint a third party to take possession of the pledged assets on its behalf, generally act in relation to the pledged assets in the manner reasonably determined by the Collateral Agent, and exercise other rights, remedies and enforcement powers available under applicable law.

In addition to enforcement by sale or other realisation of the pledged assets, the Collateral Agent may exercise rights in respect of the related rights and proceeds of the Collateral. In respect of the Asset Pledge Agreement, such related rights include rights to income, proceeds, receivables, claims, insurance proceeds, interest, penalties and other amounts paid or payable in connection with the pledged assets. Following an Event of Default, the Asset Pledge Agreement also allows the Collateral Agent to notify the Issuer and debtors in relation to the pledged assets that payments otherwise payable to the Issuer must be made directly to the Collateral Agent.

In respect of the Share Pledge Agreement, the related rights include all present and future changes in the value and number of the pledged shares, all improvements to the pledged shares and all proprietary and non-proprietary rights connected with the pledged shares, including dividends, liquidation proceeds, capital reduction payments, voting rights and subscription rights to new shares. Following an Event of Default, such related rights may be exercised in accordance with the Share Pledge Agreement, this Base Prospectus and applicable law.

Any proceeds received from the enforcement of the Collateral or the exercise of related rights will be applied in accordance with Section 11.18 ("Priority of Payments") and Section 11.28 ("Application of the proceeds from enforcement of the Collateral"). For the avoidance of doubt, the practical enforcement rights described in this Section 8.3.3 are subject to the Collateral Agreements, the Collateral Agent Agreement, this Base Prospectus and applicable law, and do not guarantee that the Collateral Agent will be able to realise the Collateral promptly or recover amounts sufficient to satisfy all claims of the Noteholders.

The table below (Enforcement process and expected gates) summarises the sequence of steps, gates and indicative periods that apply before and during enforcement of the Collateral, as set out in this Base Prospectus:

Step	**Stage**	**Key gates and indicative periods under this Base Prospectus**
1	Payment or covenant breach	A breach occurs (e.g. non-payment, breach of financial covenants, breach of the Collateral Agreements or of undertakings).
2	Cure / remedy period	Non-payment: 60 Business Days from the relevant due date; breach of financial covenants: 180 days from receipt of a breach notice; breach of the Collateral Agreements or of undertakings: 20 Business Days from receipt of a breach notice; liquidation: 10 Business Days (Section 11.23).
3	Event of Default and notification	The Issuer must inform Debitum Investments immediately; Debitum Investments notifies the Noteholders within 15 Business Days of the notification or determination (Sections 11.23 and 11.25).
4	Noteholders' Meeting convened	Notice of the Meeting at least 10 days in advance; the Issuer must convene a Meeting if requested by Noteholders representing 10% of all outstanding Notes (Sections 11.24.1 and 11.24.3).
5	Quorum and majority	Quorum: more than 50% of the total nominal value of the outstanding Notes (second Meeting: more than 30%); resolutions are adopted by the majority of the votes provided (Section 11.24.4).
6	Instruction to the Collateral Agent	The Noteholders' Meeting adopts a decision instructing the Collateral Agent to enforce the Collateral (Section 11.24.6).
7	Indemnity / security for costs	The Collateral Agent may refrain from acting until it has received the required instructions and such indemnification or security for costs, claims, losses, expenses and liabilities as it may require; the expected costs are communicated to the Noteholders before any indemnification is requested (Sections 11.23 and 11.26).
8	Enforcement route selected and implemented	Private out-of-court sale, out-of-court auction, auction with court participation, uncontested compulsory enforcement through the court or another permitted method; the timing depends on the route, the assets and market conditions (Section 8.3.3).
9	Application of proceeds	Enforcement costs and the Collateral Agent's fees are covered first, followed by the claims of the Noteholders of the Senior Series and thereafter the Junior Series, pro rata within each class (Sections 11.18 and 11.28).

The aggregate time from the initial breach to the distribution of any enforcement proceeds may be substantial, and each of the above gates may delay or limit enforcement. See the risk factor in Section 4.3.10 ("Long remedy periods and procedural requirements may delay Noteholders' remedies").

8.3.4. Illustrative recovery mechanisms (not a forecast)

This Section 8.3.4 describes, in qualitative terms only, how recovery under the Collateral could operate in a number of illustrative scenarios. It is not a forecast, does not contain any estimate of recovery rates or percentages, is not a representation or warranty and does not form part of the contractual terms of the Notes. Actual recoveries, if any, will depend on the circumstances prevailing at the time, including the composition and liquidity of the Issuer's assets, the enforcement route, market conditions, enforcement costs, the ranking of claims and applicable law, and may be significantly lower than the amounts invested, including zero.

The Issuer, the Shareholder, Debitum Investments and the Collateral Agent have entered into, or will enter into, the relevant Transaction Documents to which each of them is a party in connection with the issue and sale of the Notes, as described in this Base Prospectus. Any value attributable to the Land Portfolio would be available to the Noteholders only indirectly, principally through enforcement over the pledged shares, receivables and any proceeds from a sale of real estate, and only to the extent that such value is not absorbed by other creditors, enforcement costs or price discounts in a distressed sale.

Enforcement over the pledged shares. A sale of the pledged shares transfers control over the Issuer as a whole. The price achievable would reflect a buyer's assessment of the net value of the Issuer (assets less liabilities, including the Notes) under distressed conditions and within a limited timeframe, and may be materially below the book value of the Issuer's assets, or nil.

Redirection of receivables and proceeds. Following an Event of Default, the Collateral Agent may require debtors of the Issuer to make payments directly to the Collateral Agent. The amounts actually collected would depend on the existence and quality of such receivables, the cooperation of third parties and the timing of enforcement.

Allocation of losses between Series. Any proceeds are applied first to enforcement costs and the fees of the Collateral Agent, then to the claims of the Noteholders of the Senior Series and only thereafter to the claims of the Noteholders of the Junior Series. In a shortfall scenario, the Junior Series absorb losses first and may receive no recovery, and the Senior Series may also suffer a partial or total loss.

9. ISSUER

9.1. General

The Issuer is incorporated as a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) and registered in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 6 April 2023 under the name SIA "Latvijas Meža Attīstības Fonds" with registration number 40203475516. It operates under the laws of the Republic of Latvia and has its registered office at Audēju iela 15 - 4, Riga, LV-1050, Latvia. The Legal Entity Identifier (LEI) of the Issuer is: 984500D13C2N42C61F59.

The registered and paid-up share capital of the Issuer is EUR 1,502,800, consisting of 15,028 shares each having a nominal value of EUR 100. Each share is entitled to one vote. The sole shareholder of the Issuer is SIA "Intelligent Innovations", a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203325336 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 10 June 2021, registered address: Ošu iela 15, Valmiera, Valmiera municipality, LV-4202, Latvia.

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

For so long as the Notes of any Series remain outstanding or the Notes 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 Issuer's website and the Platform.

Legal and commercial name of the Issuer	SIA "Latvijas Meža Attīstības Fonds"
Legal form	Limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*)
Legal address	Audēju iela 15 - 4, Riga, LV-1050, Latvia
Country of registration	Republic of Latvia
Registration number	40203475516
LEI code	984500D13C2N42C61F59
Legislation under which the Issuer operates	Republic of Latvia
Date of incorporation	6 April 2023
Operating period	Indefinite
Phone number	+371 28006691
E-mail	info@mezaattistibasfonds.lv
Website	https://www.lfdf.eu/fund-structure/lfdf-1

9.2. Statutory Auditors

The Audited Financial Statements for the financial years ended on 31 December 2024 and 31 December 2025 have been prepared in accordance with the GAAP and audited Komandītsabiedrība "S.VILCĀNES AUDITS", registered in the Commercial Register of Latvia maintained by the Enterprise Register under the registration number 40003192915, legal address Pulkveža Brieža iela 15, Riga, LV-1010, Latvia ("**Auditor**"). The Auditor is a member of the Latvian Association of Sworn Auditors with license no. 88.

9.3. History and Development of the Issuer

April 2023 – the Issuer was established on 6 April 2023 with an aim to purchase forest and agricultural land for purposes of establishing and developing the Land Portfolio consisting of forest and agricultural land located in Latvia.

July 2023 –the Issuer entered into an agreement for issuing and offering bonds in private placement with Mundus Bridge Finance, a private debt fund of INVL, the leading investment management and life insurance group in the Baltics, for a total amount of EUR 7 million to be issued in tranches.

June 2024 – the Issuer fully repaid all bonds issued in the private placement to Mundus Bridge Finance.

August 2024 – the Issuer's total area of the Land Portfolio exceeded 1,500 ha of land, whereby around 50% is designated forest land.

September 2024 – the Issuer rebranded its name and image to Latvijas Meža Attīstības Fonds and adopted a decision to simplify its operations to focus mainly on the inclusion of forest land in the Land Portfolio.

October 2024 – the investments in the Land Portfolio exceeded EUR 6 million and total wood supplies on the Land Portfolio exceeded 100,000 m^3.

May 2025 - investments in the Land Portfolio and forest assets exceeded EUR 12,5 million.

September 2025 - in the third quarter, acquired a record 1,824 hectares of properties.

December 2025 - closed 2025 with total investments of EUR 36,8 million, encompassing 6,430 hectares across 659 individual forest properties

June 2026 – total investments in the Land Portfolio reached EUR 44 million, with the total area exceeding 7,600 hectares.

9.4. Activities

9.4.1. Land Portfolio

The Issuer is a company engaged in the acquisition and management of rural land, dedicated to maximizing the value and sustainability of these assets. With a strong focus on strategic land investments, the company specializes in the acquisition and merger of small and medium-sized rural land in Latvia with a focus on forest land, with the strategic objective of creating a large Land Portfolio to be sold as a whole or in separate parts to Nordic, Baltic or Polish real estate or forest funds. The Issuer is currently already working with five partners, most of them of Latvian or Scandinavian origin.

The Issuer's team consists of recognised experts in the field, with all employees having at least five years of experience working in the field. The Issuer has developed internal IT systems allowing the Issuer to quickly and effectively process the data of a large area of forest land, allowing the Issuer to quickly carry out calculations, meaning that the Issuer can quickly make an offer to a potential seller of land.

The core activities of the Issuer may be divided into multiple stages.

Where the first stage is land acquisition. The Issuer actively seeks to acquire forest land, leveraging its expertise in identifying undervalued or strategically important properties. These acquisitions may be driven by a variety of factors, including the potential for timber production, environmental conservation, or development potential.

The second stage is management, merger, and bundling. Once acquired, the Issuer manages the properties, changes their allowed uses (e.g., from agricultural to forest), where possible merges it with other bordering properties owned by the Issuer and/or divides the properties.

The last stage is alienation. The Issuer actively seeks potential cooperation partners to whom to sell real properties in the Issuer portfolio.

Currently, the company operates in Latvia, however, depending on market conditions or specific investment possibilities, the Issuer may acquire forest or agricultural land in Estonia and/or Lithuania. The Issuer and the employees of the Issuer have made transactions in Lithuania to evaluate the market conditions, legal requirements, and national specificities to ensure that, in case market conditions are preferable and the Issuer is able to attract necessary funding to enter into Lithuanian market.

The main cooperation partners the Issuer sells real property to are Latvian companies with Latvian and/or Scandinavian funding.

There are no known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

9.4.2. Forest Maintenance Services

The Issuer, as an ancillary operation, provides the possibility for the clients to use the know-how and contacts of the Issuer by providing forest land maintenance services, as such, and also as an option to sell felling rights and similar. Such operations have been initiated because the Issuer has to carry out these activities in relation to the Land Portfolio, meaning that the Issuer may offer clients the opportunity to acquire these services through the Issuer on better terms than the clients could individually.

The Issuer provides, in cooperation with trusted service providers, full-cycle forest maintenance services, starting from planting the trees, forest care, and logging.

As part of these services, in case of favourable terms, the Issuer also provides the clients with the possibility to sell felling or felling rights

9.4.3. Services related to Agricultural Land

The Issuer, taking into consideration that due to zoning laws and specifics of land plots for sale, it is not always possible to acquire only forest land, thus the real estate portfolio of the Issuer may also comprise agricultural land, rural constructions, homesteads, or similar. To maximize the value of the Issuer's investments, the Issuer maintains such real estate where the principal of such activities is the lease of agricultural land to farmers or other persons wishing to acquire rights to use such real estate for remuneration for a limited time period.

As a result of such a lease, the Issuer ensures income on idle agricultural land in the Land Portfolio. Additionally, under lease agreements, lessees are required to make real property tax payments, reducing the Issuer's expenses and cultivating the land, increasing the potential future value of the agricultural land in the Land Portfolio.

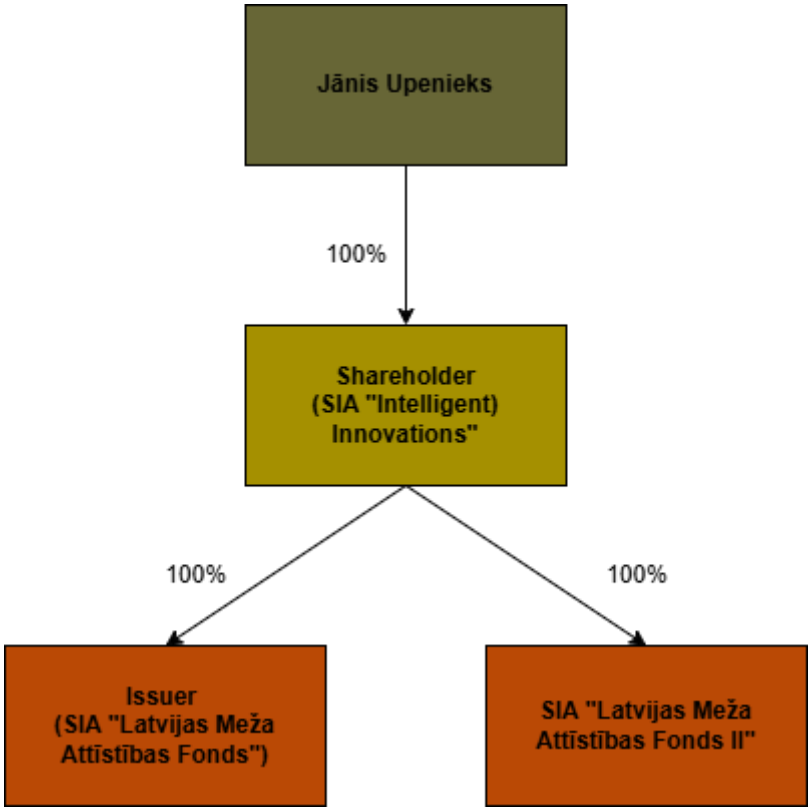
9.5. Principal Markets

Latvia is the principal Issuer's geographical market as the Issuer intends to initially only purchase real estate in Latvia. The Issuer, in the near future, is not intending to enter into any other geographic markets.

The Issuer's main product is land in the Land Portfolio, forestry products that grow on forest land, and forest related maintenance services.

9.6. Group Structure

Issuer is wholly owned by SIA "Intelligent Innovations", a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203325336 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 10 June 2021, registered address: Ošu iela 15, Valmiera, Valmiera municipality, LV-4202, Latvia. SIA "Intelligent Innovations" is wholly owned by natural person – Jānis Upenieks, date of birth 21 November 1988.



During the validity of the Base Prospectus, the ownership of the Issuer's shares may change, in which case the Issuer will publish relevant supplements to the Base Prospectus in accordance with Article 23 of the Prospectus Regulation. At present, the Issuer's Management Board has no information about the specific transaction or its details.

9.7. Major Shareholders

As of the date of the Base Prospectus, the Issuer's share capital (subscribed and paid-up) is EUR 1,502,800, consisting of 15,028 shares each having a nominal value of EUR 100. The Issuer has one class of shares, all shares have equal rights, and no shares have preferential rights. All shares are owned by the Shareholder, which is wholly owned by Jānis Upenieks.

9.8. Corporate Governance

The Issuer's corporate governance structure consists of the general meeting of shareholders and the Management Board. The management board is responsible for the day-to-day management of the Issuer's operations and is authorized to represent the Issuer based on the law and the Articles of Association. The general meeting of shareholders is the highest decision-making body of the Issuer and exercises the powers reserved to it under applicable law and the Articles of Association.

The management board is responsible for the Issuer's day-to-day management (except functions reserved to the general meeting of the shareholders). According to the Issuer's Articles of Association and applicable Latvian law, the members of the Management Board are appointed for an indefinite term. The number of members of the Management Board is determined by the general meeting of the shareholders and currently stands at two members. The Management Board of the Issuer comprises from two board members, Edgars Birks and Gatis Melderis.

Gatis Melderis is also a member of the Management Board of LMAFII, and the Shareholder.

Gatis Melderis brings over a decade of experience in forestry, business development, and project management. He has extensive expertise in forest property evaluation, strategic planning, and regulatory compliance, managing teams of specialists and fostering partnerships with industry service providers. Earlier in his career, Gatis was a board member of Valmiera Basketball Club, responsible for

strategic planning, budgeting, and sponsorship acquisition. He also has experience in the construction industry, having owned and managed SIA Vidzemes Būve and Vidzemes Ceļu Būve, where he led project management, procurement, and quality control for various projects.

Edgars Birks is also a member of the Management Board and sole shareholder of SIA BIRKED, and a chairperson of LMAFII.

Edgars Birks is an experienced forestry manager with over 15 years in forest management planning, harvesting operations, and forest property development in the Baltic region. From 2020 to 2025, he headed the main operations of SCA Mežs Latvija, overseeing forestry planning, execution, resource management, and sustainable forest property acquisitions, helping build a 50,000-hectare managed portfolio. From 2016 to 2020, as Forest Manager at the Latvian branch of Skogsutveckling Syd AB, he supervised forest operations, including harvesting and silviculture planning, subcontractor coordination, budgeting, and property assessment. Earlier, he gained hands-on experience in timber measurement and forest maintenance. Edgars holds a bachelor's degree in Forest Science from the University of Latvia, Life Sciences and Technologies.

9.9. Employees

As of the date of this Base Prospectus, the Issuer has 4 employees. Employment related expenses constitute 2% of the Issuer's quarterly expenses.

Employment relationships with employees are based on standard employment agreements, employees are paid average market or above market salaries, generally based on fixed salary and fixed allowances. Different remuneration principles are defined across departments. All new employees have an onboarding plan with training (internal and external) necessary for their position.

9.10. Related Party Transactions

The Issuer has not entered into related party transactions.

For transparency purposes, the Issuer nevertheless discloses below certain transactions entered into with SIA "JUNO" (previously AS "JUNO"), which ceased to be a related party of the Issuer on 7 January 2025, and in which a member of the management board of the Issuer and the Shareholder also served as a member of the management board until 10 July 2026):

1. multiple transactions in the time period from 1 January 2026 until 30 June 2026 concerning the purchase of forest land for a total amount of EUR 9,258,658 according to market conditions;
2. multiple transactions in the time period from 1 January 2026 until 30 June 2026 concerning the sale of forest land for a total amount of EUR 8,540,458 according to market conditions.

As of the date of this Base Prospectus, SIA "JUNO" is not a related party to the Issuer, and the Issuer's related parties, legal entities, are the Shareholder, LMAFII, and SIA BIRKED. As of the date of this Base Prospectus, the Issuer has not entered into any transactions with the Shareholder, LMAFII, or SIA BIRKED.

9.11. Material Contracts

Other than the Transaction Documents, the Notes issued under the Previous Base Prospectus and the agreements relating thereto, the Issuer has not entered into any material contracts outside its ordinary course of business that remain in force as at the date of this Base Prospectus.

The Issuer generally enters into agreements on a transaction-by-transaction basis, including agreements relating to the acquisition, sale, management, maintenance, and regularisation of forest and agricultural land, as well as agreements for the provision of forestry, agricultural land management, and related services.

Service providers of the Issuer are selected for specific tasks based on the nature and requirements of the relevant transaction or service. As at the date of this Base Prospectus, the Issuer is not bound by any exclusivity arrangements with service providers.

In the ordinary course of its business, the Issuer may cooperate with various market participants and service providers, including SIA "JUNO", LMAFII, SIA "Foresto", SIA "BONO" and SIA "Ozolu meži". LMAFII is a related party of the Issuer, and as of the date of this Base Prospectus, the Issuer has not entered into any transactions with it.

9.12. Authorisation

The establishment of this Programme and the issue of the Notes have been duly authorised by the Issuer's shareholder's decision on 20 August 2026 and the management board decision on 20 August 2026.

9.13. Material Changes in the Solvency of the Issuer

As at the date of this Base Prospectus, there have been no material adverse changes in the solvency, liquidity position, or overall financial position of the Issuer since 31 December 2025, notwithstanding the developments described in Sections 9.14 and 9.15 below.

Since 31 December 2025, there have been no events which, individually or in aggregate, would materially adversely affect the Issuer's ability to perform its obligations under the Notes.

9.14. 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 31 December 2025 except that as of 30 June 2026:

- the Issuer has issued notes in the total amount of EUR 24,6 million;
- the Issuer has redeemed notes in the total amount of EUR 13,8 million;
- the Issuer's total inventory (Land Portfolio) has total approximate valuation of arounds EUR 44 million.

9.15. Investments

As of the date of this Base Prospectus, the Issuer acquired assets (forest land) with an approximate valuation of around EUR 8,1 million since 31 December 2025.

9.16. Financing of the Activities

The Issuer intends to primarily finance it operations from proceeds from its operations, in particular from proceeds from the sale of parts of the Land Portfolio, lease of agricultural land, and provision of forest-related services.

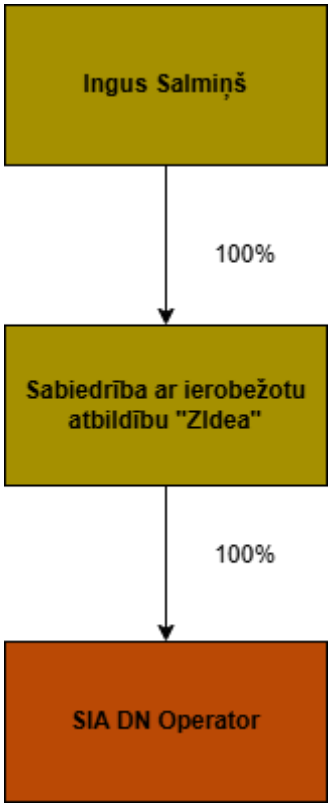
9.17. Litigation

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.

10. DEBITUM INVESTMENTS[2]

10.1. Debitum Investments and its shareholders

Debitum Investments is incorporated as a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) and registered in the Commercial Registry of Latvia (in 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 Dzirnavu iela 67, Riga, LV-1011, Latvia.



100.00% shares in Debitum Investments are held by sabiedrība ar ierobežotu atbildību "ZIdea", registration number 40203138540, with the sole ultimate beneficial owner and shareholder being Ingus Salmiņš.

Debitum Investments is managed by the Management Board, the members of which are appointed by the shareholder of Debitum Investments. The current three members of the Management Board are Ingus Salmiņš, Justīne Birkova, and Andis Rožkalns. Any members of the Management Board are entitled to represent Debitum Investments together with the Chairperson, Ingus Salmiņš.

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

- placing of financial instruments without a firm commitment basis;
- investment advice;
- portfolio management;
- holding of financial instruments;
- currency exchange services where these are related to the provision of investment services;
- execution of orders on behalf of clients;

[2] Information in this Section has been provided by Debitum Investments

- services related to underwriting.

Debitum Investments provides services in Latvia, Austria, Belgium, France, Germany, Italy, the Netherlands, and Spain. 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 Issuer offers and sells the Notes to Investors and (ii) information exchange and money flows occur between Investors and the Issuer.

10.2. Key activities performed by Debitum Investments with respect to the Notes

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

- 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;
- operating the Platform for the Investors to acquire the Notes;
- acting as a placement, calculation, transfer and paying agent for the Notes including (a) settlement of payments due between the Issuer and Investors, (b) payments to the Investment Accounts, (c) provision of information regarding the Investors to the Issuer to calculate any withholding taxes on payments;
- maintaining the register of the Noteholders;
- monitoring compliance with the Transaction Documents;
- preparing and submitting reports for legal and regulatory purposes to the Bank of Latvia, the Latvian State Revenue Service and others.

11. TERMS AND CONDITIONS OF THE NOTES

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

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

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

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

The headings are inserted for 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.

11.1. Definitions

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

Aggregate Nominal Amount	the aggregate nominal amount of the Notes as specified in the Final Terms.
Available Distribution Amount	means the amounts received by Debitum Investments from the Issuer for distribution in respect of payments under the Notes.
Base Prospectus	the base prospectus in relation to the Notes.
Business Day	any day on which banks in the Republic of Latvia are open for business, except for Saturdays, Sundays and national holidays of the Republic of Latvia.
Cooperation Agreement	means the cooperation agreement entered into between the Issuer and Debitum Investments in relation to the issue, placement, servicing and administration of the Notes.
Debitum Investments	SIA DN Operator, a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 42103092209 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 9 April 2019, an investment firm (in Latvian: *ieguldījumu brokeru sabiedrība*) 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 Series or Tranche of Notes.
Interest	the interest under the Notes.
Interest Accrual Periods	the periods during which Interest accrues on the Notes as specified in the Final Terms.
Interest Payment Date	each date on which Interest is payable under the Notes as specified in the Final Terms.
Interest Rate	the rate at which Interest accrues on the Notes as specified in the Final Terms.

Investment Account	the Investor's separate account with Debitum Investments.
Issue Date	the issue date of the Notes being the date on which the Notes are first made available for subscription as specified in the Final Terms.
Issuer	SIA "Latvijas Meža Attīstības Fonds", a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) registered under the registration number 40203475516 in the Commercial Registry of Latvia (in Latvian: *Komercreģistrs*) on 6 April 2023, legal entity identifier: 984500D13C2N42C61F59, registered address: Audēju iela 15 - 4, Riga LV-1050, Latvia.
Maturity Date	the scheduled maturity date of the Notes as specified in the Final Terms.
Noteholder	a holder for the time being of any Notes.
Notes	the debt security issued by the Issuer according to this Base Prospectus and applicable Final Terms.
Priority of Payments	the priority of payments set out in Section 11.18.
Redemption Date	each date on which the Notes are redeemed as specified in the Final Terms.
Transaction Documents	means the Cooperation Agreement, the Collateral Agent Agreement and the Collateral Agreements.

11.2. PRINCIPAL AMOUNT AND ISSUANCE OF THE NOTES

Under these Terms and Conditions for the issuance of notes, the Issuer may issue notes up to an aggregate principal amount of EUR 80,000,000 (eighty million euros) ("**Notes**").

By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to these Terms and Conditions and the Final Terms, and by acquiring Notes each subsequent Noteholder confirms these Terms and Conditions and the Final Terms.

11.3. THE USE OF PROCEEDS

Funds that will be raised as a result of the Notes issue will be used to (i) finance the acquisition of forest and related agricultural land for the development of the Land Portfolio; (ii) finance the working capital of the Issuer; and (iii) refinance Financial Indebtedness of the Issuer existing at the time of the relevant issue, including, where applicable, obligations arising under previously issued Notes, or for any other purpose specified in the applicable Final Terms.

11.4. STATUS

The Notes constitute direct and secured obligations of the Issuer and benefit from the Collateral in accordance with the Transaction Documents.

The Senior Series rank *pari passu* among themselves, without any preference among them, and rank ahead of the Junior Series in accordance with the Priority of Payments and the provisions governing the application of proceeds from enforcement of the Collateral. Subject to any obligations mandatorily preferred by applicable law, the claims under the Senior Series rank at least pari passu with all other present and future unsubordinated obligations of the Issuer.

The Junior Series rank *pari passu* among themselves, without any preference among them, and benefit from the same Collateral as the Senior Series. However, the rights of the Noteholders of the Junior Series to receive payments and proceeds from enforcement of the Collateral are contractually subordinated to the corresponding rights of the Noteholders of the Senior Series in accordance with the Priority of Payments and the provisions governing the application of proceeds from enforcement of the Collateral.

The ISIN of each Series shall be specified in the applicable Final Terms.

For avoidance of doubt, in accordance with the terms of the Previous Base Prospectus, the notes issued under the Previous Base Prospectus shall be treated as Senior Series under this Base Prospectus.

11.5. FORM

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

11.6. REGISTER, TITLE AND TRANSFERS

Debitum Investments maintains an electronic register of the Noteholders in accordance with the Cooperation Agreement. No certificates will be issued to any Noteholder in respect of Notes held.

Each Noteholder will (except as otherwise required by law) be treated as the Notes owner of any relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, nomineeship or any other interest in the Notes), and no person will be liable for so treating the Noteholders.

The Notes 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 Notes on any regulated market or any other trading venue, other than the Platform.

A transfer of any Notes between the Noteholders 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.

11.7. CURRENCY

The Notes will be issued in EUR.

11.8. ISSUE PRICE AND YIELD

The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount ("**Issue Price**"). The Issue Price shall be determined by the Issuer and specified in the Final Terms.

The yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future yield.

11.9. UNDERWRITING

None of the Tranches shall be underwritten.

11.10. INTEREST

Each Note bears interest at a fixed rate ("**Interest**") which shall be determined by the Issuer and specified in the Final Terms from (and including) the date on which the Note is entered into the Investor's Investment Account. The Interest shall be paid on the dates specified in the Final Terms ("**Interest Payment Date**") until the date of maturity date specified in the Final Terms ("**Maturity Date**").

Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period for each Note commences on the date on which the Note is subscribed by the Noteholder and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date.

Interest shall be calculated on a 30E/360 basis. The interest payment shall be determined according to the following formula:

CPN = F * C * n/360 where;

CPN – amount of interest in EUR;
F – principal amount of Notes outstanding;
C – Interest Rate;
n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated on a 30-day month basis.

11.11. Late Interest

In case the Issuer delays any payment for 20 days, the Noteholder is entitled to penalty interest calculated on the overdue amount at a rate of 5% per annum.

11.12. Accrual of Interest

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

Interest Rate X Nominal Value of one Note X Day Count where:

Interest Rate is prescribed in the Final Terms.
Nominal Value of one Note is prescribed in the Final Terms.
Day Count, unless otherwise specified in the Final Terms, the actual number of days in the immediately preceding Interest Accrual Period, divided by 360.

11.13. PRINCIPAL REDEMPTION

11.13.1. Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified in these Terms and Conditions, each principal amount outstanding of the Notes will be redeemed on the Maturity Date.

11.13.2. Early Redemption by the Issuer (call option)

The Issuer shall be entitled to early redemption (call option) by repaying the Note principal and accrued Interest.

The Issuer can carry out a call option in full or in part of the total outstanding Series of Notes.

If the Issuer takes a decision on early redemption of the Notes, the Issuer shall notify the Noteholders at least 20 (twenty) Business Days prior to the redemption date of the Notes with intermediation of Debitum Investments.

11.13.3. Early Redemption (Event of Default)

The Noteholders have the right to demand early redemption of Notes in case of occurrence of the events of default in accordance with Section 11.23.

11.13.4. Early Redemption at the request of the Noteholder

The Final Terms may provide that a Noteholder has a right to submit a request for (but not require) an early redemption of all or part of the Notes of the relevant Series held by it at any time prior to the Maturity Date, subject to the conditions set out therein. Any such request is only a proposal and is not binding on the Issuer. The Issuer has a right, but not an obligation, to accept such a request in its absolute discretion, taking into account factors such as market conditions, its funding needs, and other considerations. The Issuer shall have no obligation to provide reasons for refusing such a request.

A redemption request has to be submitted by the Noteholder to the Issuer through Debitum Investments and has to specify the Series and the number of Notes to be redeemed. The Issuer has to decide whether to accept such a request and has to notify the Noteholder of its decision and the Redemption Date through Debitum Investments within 180 Business Days from the date of receipt of the request.

The Issuer may accept such a request fully or partly, or accept partly and reserve decision on the rest of the amount subject to request at a later stage at the Issuer's own discretion. The Issuer may set rules on maximum caps, thresholds for total or individual acceptances for periods, or other eligibility criteria for the Noteholders on whether the Issuer would accept a request for an early redemption. On reviewing the requests for an early redemption and repayment thereof, the Issuer will apply the "first in, first out" (FIFO) principle, whereby the request will be reviewed in the sequence they have been submitted and will redeem accepted requests in the sequence they were approved, taking into consideration caps and thresholds set by the Issuer.

The Notes are redeemed at their nominal value plus accrued and unpaid Interest up to (but excluding) the Redemption Date ("**Redemption Amount**"), which shall be set no later than within 180 Business Days from the date when the Issuer has notified the Noteholder on whether to accept the request for an early redemption. The Issuer has to pay the Redemption Amount to the Noteholder within 30 Business Days from the Redemption Date.

11.14. INTEREST AND PRINCIPAL DETERMINATION

Debitum Investments determines (i) the amount of Interest for each Interest Payment Date and (ii) the amount of principal payable in accordance with Section 11.13 on each Redemption Date and the Maturity Date, on its review of the following information:

- the payment events which have arisen;
- aggregate payment amounts paid by the Issuer which have been received from the Debitum Investments;
- the amounts then due and owed by the Issuer according to the Priority of Payments on the Interest Payment Date, the Redemption Date or the Maturity Date.

On each Interest Payment Date, each Redemption Date and the Maturity Date, Debitum Investments on the Issuer's behalf will direct the payment of Interest and principal amounts to the Noteholders in accordance with Section 11.18.

If, after application of the Priority of Payments, the amounts received by Debitum Investments from the Issuer are insufficient on any Interest Payment Date, Redemption Date or the Maturity Date to make a payment of Interest or principal in full, Debitum Investments may distribute the amounts actually received on a partial basis in accordance with Section 11.18. Any unpaid amount shall remain due and payable by the Issuer, and such partial distribution shall not defer or amend the relevant payment obligation or due date and shall be without prejudice to Sections 11.11 and 11.23.

All determinations, calculations and adjustments made by Debitum Investments will be made in conjunction with the Issuer and will be conclusive in all respects and binding upon the Issuer and all Noteholders.

11.15. PAYMENTS

11.15.1. Payments of Interest and principal

The Issuer will pay the Interest on the Notes on each Interest Payment Date, and redeem the Notes on each Redemption Date and the Maturity Date.

11.15.2. Payments to the Noteholders

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

11.15.3. Taxes

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

The Issuer or Debitum Investments will:

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

The Noteholders 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.

11.15.4. Payments on Business Days

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

11.16. UNDERTAKINGS OF THE ISSUER

The undertakings in this Section 11.16 remain in force for so long as any of the Notes are outstanding.

11.16.1. Authorisations and compliance with laws

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

11.16.2. General covenants

From the first Issue Date of the Notes to the last date of repayment thereof, the Issuer shall undertake the following:

- all existing and future liabilities towards related parties must be junior to the Notes;
- all existing and future Financial Indebtedness owed to persons other than related parties shall not rank senior to the Notes;
- not to commence any new type of economic activity outside the scope of existing operations except if revenue from such activity does not exceed 10% of revenue;
- not to sell, transfer, assign, license, encumber or otherwise dispose of any rights in or to the trademarks of the Issuer;
- not to initiate or allow initiation of the Issuer's liquidation or similar proceedings;
- any transactions with related parties, including transactions with LMAFII, shall be entered into on an arm's length basis.

11.16.3. Negative covenants

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

- sell, transfer, create any security over or otherwise dispose of any of its assets excluding usual operations;
- sell, transfer or otherwise dispose of any real estate asset, except in the ordinary course of business and provided that: (i) the disposal is made on arm's length terms; (ii) the aggregate disposal price of all real estate assets disposed of during the relevant calendar quarter is not lower than the aggregate acquisition cost of such assets, unless otherwise

approved by the Noteholders; and (iii) immediately following such disposal, the Issuer remains in compliance with the financial covenants set out in Section 11.16.4;

- until full redemption of the Notes, except for pledge under the Collateral Agreements, it will not create or permit to subsist any Security over the Issuer's assets, except Permitted Security (for avoidance of doubt, the Permitted Security does not allow the establishment of mortgages over the Land Portfolio);
- make any payments (dividends, interests, etc.) to the related parties if after such payment financial covenants in Section 11.16.4 are not met;
- be the creditor in respect of any loan or any form of credit to any person, except for loans to LMAFII if such loans are provided from the Issuer's own funds;
- 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;
- use the proceeds of the Notes for any purpose other than as provided in this Base Prospectus.

11.16.4. Financial covenants

From the first Issue Date to the last date of repayment thereof, the Issuer shall comply with the following financial covenant as at the end of each quarter:

Economic Asset Cover Ratio shall not exceed 89%[3];

Economic Asset Cover Ratio = F / (Assets + Cash Reserves – Unsubordinated Financial Indebtedness), where:

F - principal amount of Notes outstanding;

Assets - the value of all assets of the Issuer's balance sheet, excluding cash, including receivables, goods for sale, and real estate assets;

Cash Reserves - cash in the Issuer's bank accounts;

Unsubordinated Financial Indebtedness – Financial Indebtedness that is not Notes outstanding and is not subordinated to the Notes.

The Economic Asset Cover Ratio is an asset-cover measure calculated against the Issuer's overall economic asset base. It is not a collateral coverage ratio or a security loan-to-value measure: its denominator includes assets, such as real estate assets and cash, over which the Collateral Agent and the Noteholders have no direct security interest, and it does not measure the value of, or the expected recovery from, the Collateral.

The value of Assets may be revalued each quarter if such valuation is carried out by a certified valuer, and annually on the basis of the Issuer's annual audited financial statements, provided that the relevant values are reflected in such annual audited financial statements and the auditor's report is not qualified in respect of such valuation.

11.16.5. Financial reporting

From the first Issue Date of the Notes to the last date of repayment thereof, the Issuer shall make the following information available to the Noteholders by publishing it on the Issuer's website and the Platform:

- annual audited financial statements, prepared in accordance with the Latvian Generally Accepted Accounting Principles (GAAP), including a profit and loss account, balance sheet, cash flow statement, statement of changes in equity, notes to the financial statements, annual report, and the auditor's report on those statements, within 6 (six) months after the end of the reporting year;

[3] The Economic Asset Cover Ratio is a financial covenant only and does not constitute, create or evidence any security interest over the assets included in the denominator of the ratio. In particular, inclusion of real estate assets in the calculation of the Economic Asset Cover Ratio does not mean that such real estate assets are mortgaged or otherwise pledged in favour of the Noteholders.

- unaudited semi-annual interim financial statements, including an income statement, balance sheet, and cash flow statement, prepared in accordance with Latvian GAAP, within 2 (two) months after the end of the reporting period;
- quarterly financial covenants calculations in accordance with Section 11.16.4 within 1 (one) month after the end of the reporting period.

The Issuer will publish further financial statements in the Issuer's webpage (https://www.lfdf.eu/fund-structure/lfdf-1).

11.17. ISSUE OF NOTES

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

11.18. PRIORITY OF PAYMENTS

All funds received by Debitum Investments from the Issuer in relation to the Notes shall be applied in the following order of priority:

- first, in or towards payment of any taxes, duties, or other amounts required by applicable law to be withheld, deducted, or paid in connection with payments under the Notes;
- second, in or towards payment of any reasonable and documented fees, costs, charges, expenses, and liabilities incurred by Debitum Investments or the Collateral Agent in connection with the recovery of amounts due under the Notes or the enforcement of the Transaction Documents, to the extent such amounts are payable under this Base Prospectus or the Transaction Documents;
- third, in or towards payment of any accrued and unpaid default interest, penalty interest, fees, or other ancillary amounts due under the Senior Series;
- fourth, in or towards payment of accrued and unpaid Interest and outstanding principal under the Senior Series;
- fifth, in or towards payment of any accrued and unpaid default interest, penalty interest, fees, or other ancillary amounts due under the Junior Series;
- sixth, in or towards payment of accrued and unpaid Interest and outstanding principal under the Junior Series.

If the funds available at any level of the Priority of Payments are insufficient to discharge all amounts falling within that level in full, such amounts shall be paid pro rata among the relevant Noteholders, unless otherwise specified in the relevant Final Terms.

No amounts shall be applied towards any Junior Series until all amounts then due and payable under the Senior Series have been discharged in full.

Debitum Investments will not be liable for applying the Priority of Payments, including for any minor errors, pursuant to this Section.

11.19. PURCHASE

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

11.20. CANCELLATION

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

11.21. PRESCRIPTION

Any and all claims against the Issuer for payment in respect of the Notes will be prescribed and become void unless made within 3 years from the date on which payment in respect of the Notes first becomes due.

11.22. FURTHER ISSUES

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

A further tranche of an existing Series will:

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

11.23. EVENTS OF DEFAULT

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

- **Non-Payment.** The Issuer fails to make any payments to the Noteholders under this Base Prospectus within 60 (sixty) Business Days from the relevant due payment date, except for cases when the failure to pay is caused by a reason of Force Majeure;
- **Breach of financial covenants.** The Issuer breaches any of the covenants set forth in Section 11.16.4, and the Issuer has not remedied the breach within 180 (one hundred and eighty) days as of the receipt of the breach notice served by Debitum Investments, Collateral Agent, or Noteholders representing 10% of the total Nominal Value.
- **Breach of the Collateral Agreements.** The Issuer breaches the terms of the Collateral Agreements and the Issuer has not remedied the breach within 20 (twenty) Business Days as of the receipt of the breach notice served by Debitum Investments, Collateral Agent, or Noteholders representing 10% of the total Nominal Value.
- **Breach of undertakings**. The Issuer's undertakings of Sections 11.16.1, 11.16.2 and 11.16.3 are breached and the Issuer has not remedied the breach within 20 (twenty) Business Days as from receipt of the breach notice served by the Debitum Investments, Collateral Agent or Noteholders representing 10% of total Nominal Value.
- **Invalidity of the Collateral Agreement.** The Collateral Agreements terminate or are recognised invalid by a final decision of the respective state's courts or the Collateral is not established following the terms hereof and the Issuer has not remedied the breach within 20 (twenty) Business Days.
- **Cessation of Business.** The Issuer ceases to carry on its current core business in its entirety or a substantial part thereof, other than pursuant to any sale, disposal, demerger, amalgamation, reorganisation or restructuring or any cessation of business in each case on a solvent basis and with the prior written consent of the Noteholders.
- **Liquidation.** An effective resolution is passed for the liquidation or suspension of economic activities of the Issuer and the Issuer has not remedied the breach within 10 (ten) Business Days.
- **Insolvency.** The Issuer is declared bankrupt by a final decision of a court or admits inability to pay its debts; and/or the Issuer enters into any arrangement with a majority of its creditors by value in relation to restructuring of its debts and/or legal protection proceedings (in Latvian: *tiesiskās aizsardzības process*), or out-of-court legal protection proceedings (in Latvian: *ārpustiesas tiesiskās aizsardzības process*) or insolvency proceedings (in Latvian: *maksātnespējas process*) have been initiated by court (in Latvian – *tiesa ir ierosinājusi lietu*).
- **Fraud.** The Issuer has committed a criminal offence or crime, including deception intended to result in financial gain for the Issuer.

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 Section 11.23.

If Debitum Investments has been notified by the Issuer or majority Noteholders 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 Noteholder according to Section 11.25.

Upon the occurrence of an Event of Default, the Notes 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 law.

Debitum Investments and the Collateral Agent, subject to the Noteholders indemnifying and holding Debitum Investments and the Collateral Agent harmless from any reasonable expenses, loss or liability, will take every reasonable measure necessary to recover the amounts outstanding under the Notes according to their terms and conditions and Transaction Documents. Debitum Investments and Collateral Agent will in each case inform the Noteholders about the costs which should be compensated prior to requesting any indemnification. In any case, Debitum Investments and the Collateral Agent will charge this compensation of costs only up to the recovered amount.

11.24. MEETING OF NOTEHOLDERS

11.24.1. General provisions

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

The Issuer is obliged to convene meeting if Noteholders representing 10% of all outstanding Notes have requested so, in such case Noteholders representing 10% of all outstanding Notes have to put forward matters that will be reserved for passing at the Meeting.

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

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

If Noteholders do not vote differently the Meeting will be chaired, and minutes taken by a representative of Debitum Investments.

11.24.2. Resolutions of the Meeting

Matters put to a vote at the Meeting and its agenda shall be determined by the Issuer (except in cases where the Meeting is convened at the initiative of Noteholders representing 10% of the total nominal value of the outstanding Notes). Noteholders may not make decisions on issues not included in the agenda, nor may they change 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 Noteholders 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 Noteholders, whether or not present at the Meeting, and each of them will be bound to give effect to it accordingly.

11.24.3. Information on holding a Meeting

The Issuer will notify the Noteholders about the Meeting in accordance with the procedure below. A notice of the Meeting ("**Notice**") will be given according to Section 11.25 no later than 10 days in

advance. The Notice will be given to the Noteholders registered on the date of the Notice in the electronic register of the Noteholders 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 Section 11.24.3 the Issuer will send the Notice to the Noteholders by email. The Issuer may at its own discretion make available information to the Noteholders entitled to participate in the Meeting as part of preparations for the Meeting.

11.24.4. Quorum at a Meeting

A Meeting will be deemed quorate if attended by the Noteholders aggregately holding more than 50% of the total nominal value of the outstanding Notes.

The number of votes for each Noteholder equals the nominal value of the Notes owned by him/her. When a Meeting is held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote, the Noteholders registered to participate in the Meeting and the Noteholders whose ballots have been received no later than 2 days before the Meeting will be deemed to have participated in the Meeting.

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

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

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.

If the decision of the Meeting affects only one Series, then the quorum is determined by taking into account only the Notes of this Series and the decisions of the Meeting are binding only on the Notes and Noteholders of this Series.

11.24.5. Voting ballots

Ballots for voting at a Meeting will be sent together with the Notice according to Section 11.24.3.

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

The Noteholders 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:

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

When voting by ballots, only those voting ballots are counted where for each item only one voting option is selected. The voting ballots completed in breach of the aforementioned requirement will be deemed invalid. However, if there are several items put to the vote on the voting ballot, 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.

11.24.6. 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.

11.25. NOTICES AND PROVISION OF INFORMATION

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

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

Any notices, demands, claims or other communication to the Issuer by any Noteholder will be in Latvian or 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; and (c) and sent to the Issuer's indicated e-mail address in the contact information deemed to have been given in 24 hours after sending.

11.26. ESTABLISHMENT OF THE COLLATERAL

The Collateral has been established under the Asset Pledge Agreement and the Share Pledge Agreement and registered with the Commercial Pledge Register of the Republic of Latvia under Commercial Pledge Acts No. 100209141 and No. 100209142. On or before the first Issue Date under this Base Prospectus, the relevant Collateral Agreements and registrations shall be amended and/or novated, as necessary.

The Collateral Agent shall take all actions that the Collateral Agent as the holder of the Collateral may reasonably take with the purpose to enforce a commercial pledge over the Collateral according to the procedure provided for in the Collateral Agreements and applicable laws in case:

- an Event of Default has occurred; and
- the Noteholders' Meeting has adopted a decision to instruct the Collateral Agent to enforce the Collateral.

Upon performing of its obligations and exercising its rights, the Collateral Agent shall act at its own discretion in the interests and on the account of the Noteholders collectively and generally (and not of any particular Noteholder) without having any independent interests of its own, other than those. The Issuer has no right to give any instructions to the Collateral Agent. The Collateral Agent is not a party to the legal relationship between the Issuer and the Noteholders and is under no circumstances liable for the performance of the obligations of the Issuer.

Unless specifically requested by the Collateral Agent, the Noteholders shall not have any right to give any instructions to the Collateral Agent and the Collateral Agent is under no obligation to request or follow such instructions, except for the instructions provided under Section 11.24 by the majority of Noteholders. The Noteholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. The Noteholders can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to the Base Prospectus and the Collateral Agent Agreement.

The Collateral Agent shall be entitled (but is not obliged under any circumstances) to request instructions, or clarification of any direction, from the Noteholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral. Upon such request, the Noteholders shall give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications. The Collateral Agent may refrain from acting until the majority of Noteholders have provided the requested instructions or clarifications. The Collateral Agent may also refrain from acting in accordance with the instructions of the majority Noteholders until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including, but not limited to, legal fees for services within the Republic of Latvia or in other jurisdictions) and liabilities which it will or may expend or incur in complying with such instructions.

The Collateral Agent is obligated to comply with the instructions submitted under the paragraph above unless such instructions, in the reasonable opinion of the Collateral Agent, may be contrary to the Base Prospectus, the Final Terms, Collateral Agreement, Collateral Agent Agreement or applicable laws. The Collateral Agent shall not be liable to the Investors for acting (or refraining from acting) as described in this Section 11.26.

Upon the performance of its obligations and exercising its rights hereunder, the Collateral Agent shall have the right to use the services of third parties and to appoint third-party representatives. Notwithstanding such use or appointment, the Collateral Agent shall not be released from its responsibilities towards the Issuer and the Noteholders under the Collateral Agent Agreement and the Collateral Agent shall be personally liable to the Issuer and the Noteholders for the respective obligations. Furthermore, no additional fees and/or expenses shall be paid to the Collateral Agent as a result of such appointment by the Collateral Agent, except where the payment of expenses is set forth in the Collateral Agent Agreement (e.g., as in the case of appointing external lawyers).

It is acknowledged that the Collateral Agent, approved by the Noteholders, operates without actual control from the Issuer and has committed to act in the interests of the Noteholders. Hence, the Collateral Agent shall be liable for performing its duties hereunder as the principal obligor and the Issuer is not able to (and therefore does not) guarantee or otherwise procure the performance by the Collateral Agent of its obligations.

11.27. CHANGES TO THE SECURITY

The Noteholders agree that in the event that a person acquires shares of the Issuer by becoming a Shareholder, the Collateral Agent, on behalf of the Noteholders, may consent to such change of shareholders, provided that the Share Pledge Agreement and the relevant Security cover the new Shareholder's acquired shares of the Issuer. The Commercial Pledge shall be registered on the same day as the Shareholder change is registered with the Enterprise Register of the Republic of Latvia.

11.28. APPLICATION OF THE PROCEEDS FROM ENFORCEMENT OF THE COLLATERAL

The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:

- as a first priority for the satisfaction and payment of all costs and expenses (including, without limitation, state duties, notary fees and valuation costs and fees) related to or arising from enforcement of the Collateral by the Collateral Agent within the limits set forth in the Collateral Agent Agreement, and, solely from the proceeds from the enforcement of the commercial pledge, the fees of the Collateral Agent within the limits set forth in the Collateral Agent Agreement;
- as a second priority (after the full satisfaction, payment, and deduction of all claims and amounts set forth above) ‑ payment of the claims of the Noteholders of Senior Series Notes;
- as a third priority (after the full satisfaction, payment, and deduction of all claims and amounts set forth above) ‑ payment of the claims of the Noteholders of Junior Series Notes.

The Collateral Agent shall withhold the proceeds necessary for satisfying the costs, expenses, and transfer the remaining proceeds to the Noteholders for satisfying their claims. The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining to the Issuer (if any).

If the proceeds available at any priority level are insufficient to satisfy all claims falling within that priority level in full, those claims shall be satisfied pro rata among the relevant Noteholders. No proceeds shall be applied towards claims under the Junior Series until all claims under the Senior Series have been satisfied in full.

The Collateral Agent is not obliged to pay to the Noteholders or any other person any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).

In case the Collateral Agent is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes, and only the net amount shall be paid by the Collateral Agent.

11.29. AGENTS

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 Noteholder.

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 and any other party to any of the Transaction Documents.

11.30. REPRESENTATION OF NOTEHOLDERS

The rights of the Noteholders to establish and/or authorize an organization/person to represent the interests of all or a part of the Noteholders are not set forth, but such rights are not restricted. The Noteholders shall cover all costs/fees of such representative(s) themselves.

11.31. 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:

- extraordinary and unavoidable circumstances including natural disasters, fire, flood, earthquake, warfare, terror acts, riots and strikes;
- 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;
- decisions and/or activities of local and/or foreign public authorities, and/or international organisations;
- 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
- any circumstance defined as a force majeure circumstance in any of the Transaction Documents.

11.32. GOVERNING LAW AND JURISDICTION

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

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

11.33. AMENDMENTS AND MODIFICATIONS

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

11.34. LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE NOTEHOLDER

Notwithstanding anything in the Base Prospectus, other than with respect to gross negligence or wilful misconduct by the Debitum Investments, the Debitum Investments will not be held liable by any Noteholder for:

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

Each Noteholder, on subscribing or buying any Notes directly irrevocably accept and acknowledge that it is fully aware that:

(i) the 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 the Issuer of its obligations, or the recoverability of any sum of the principal, Interest, other return or any additional amounts (if any) due or to become due from the Issuer;

(ii) 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 the Issuer;

(iii) Debitum Investments will not at any time be liable for any representation or warranty, or any act, default or omission of any person;

(iv) the Investment Accounts will be opened and be held by the Noteholder fully operational with Debitum Investments while the Noteholder holds any Notes.

11.35. Interests of Persons

Save for any fees payable to Debitum Investments and the Collateral Agent (if any), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer of the Notes.

In addition, certain members of the Issuer's Management Board hold positions in, or are otherwise related to, the Shareholder, and LMAFII, as described in Sections 9.8 and 9.10. The Issuer may enter into transactions with related parties, including LMAFII. Such relationships may give rise to potential conflicts of interest, particularly in connection with asset transfers, service arrangements, financing arrangements or other transactions between related parties. The Issuer intends to enter into related-party transactions on arm's length terms, except where expressly disclosed otherwise in this Base Prospectus.

12. SELECTED FINANCIAL INFORMATION

12.1. Financial Statements and Interim Financial Information

Financial information of the Issuer (balance sheet, profit and loss statements, and other important metrics) is provided in the tables below. The audited Financial Statements and the unaudited interim financial information referred to below are incorporated by reference into this Base Prospectus. Unless otherwise stated, the information of this Section below should be read in conjunction with and is qualified in its entirety by reference to such financial statements and interim financial information.

The Issuer's audited financial statement for the year ended 31 December 2024 together with the independent auditor's report: (https://www.lfdf.eu/uploads/reports/eng-annual-report-2024-lmaf.pdf), the Issuer's audited financial statement for the year ended 31 December 2025: (https://www.lfdf.eu/uploads/documents/lfdf-annual-report2025-eng.pdf), and the Issuer's independent auditor's report for the Issuer's audited financial statement for the year ended 31 December 2025: (https://www.lfdf.eu/uploads/documents/eng-lfdf-auditor-report-2025.pdf) are published in Issuer's website (https://www.lfdf.eu/).

The Issuer's unaudited interim financial information for the six-month period ended 30 June 2026 is published on the Issuer's website (https://www.lfdf.eu/uploads/documents/lfdf-operative-balance-q2-2026-1.pdf) and is incorporated by reference into this Base Prospectus. Such interim financial information has not been audited or reviewed.

The tables below set forth the key financial information as at and for the financial years ended 31 December 2024 and 31 December 2025 and, where applicable, as at and for the six-month period ended 30 June 2026. The audited financial information has been extracted or derived from the Audited Financial Statements for the financial year ended 31 December 2025 incorporated by reference into this Base Prospectus, and the unaudited interim financial information has been extracted or derived from the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026 incorporated by reference into this Base Prospectus.

12.2. Selected Historical Financial Information

The Issuer's profit and loss account

EUR	30/06/2026 (Unaudited)	31/12/2025 (Audited)	31/12/2024 (Audited)
Net turnover[4]	11,382,635	10,838,491	3,896,809
Cost of Sales[5]	(7,506,081)	(6,373,471)	(3,416,148)
Gross Profit[6]	**3,876,554**	**4,465,020**	**480,661**
Other operating expenses[7]	(3,210,407)	(2,902,444)	(414,414)
Other operating income[8]	30	41	4,058
Profit Before Tax[9]	**666,177**	**1,562,617**	**70,305**
Corporate Income Tax[10]	-	-	-
NET PROFIT[11]	**666,177**	**1,562,617**	**70,305**

[4] Source: Annual Report 2025, page 8, Note 17 – Net turnover.
[5] Source: Annual Report 2025, page 8, Note 18 – Production cost price of produce sold, cost of the goods sold or services provided.
[6] Source: Annual Report 2025, page 8 – Gross profit or loss.
[7] Source: Annual Report 2025, page 8, Notes 19, 20, 22 and 23 – calculated as an aggregation of Sales costs, Administrative costs, Other costs of economic activity and Interest payments and similar costs.
[8] Source: Annual Report 2025, page 8, Note 21 – Other income from economic activity.
[9] Source: Annual Report 2025, page 8 – Profit or loss before corporate income tax.
[10] Source: Annual Report 2025, page 8 – Corporate income tax for the reporting year.
[11] Source: Annual Report 2025, page 8 – Profit or loss for the reporting year.

The Issuer's balance sheet

Assets

EUR	30/06/2026 (Unaudited)	31/12/2025 (Audited)	31/12/2024 (Audited)
Total Long-term Assets[12]	**29,192**	**29,610**	**-**
Inventory[13]	42,802,919	36,797,305	8,580,935
Accounts receivable[14]	9,178,650	169,108	723,576
Cash[15]	649,807	123,408	9,611
Other current assets[16]	2,100,903	1,391,278	-
Total Current Assets[17]	**54,732,279**	**38,481,099**	**9,314,122**
TOTAL ASSETS[18]	**54,761,471**	**38,510,709**	**9,314,122**

Liabilities

EUR	30/06/2026 (Unaudited)	31/12/2025 (Audited)	31/12/2024 (Audited)
Share Capital[19]	1,502,800	1,502,800	1,502,800
Retained Earnings[20]	1,538,999	(23,618)	(93,923)
This year's earnings[21]	666,177	1,562,617	70,305
Total Equity[22]	**3,707,976**	**3,041,799**	**1,479,182**
Long-term loans[23]	32,666,009	13,493,671	-
Accounts payable[24]	8,115,818	2,778,217	2,488,458
Accounts payable to affiliated companies[25]	-	-	5,163,401
Short-term loans[26]	10,247,781	18,842,339	-

[12] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Total Long-term Assets; Annual Report 2025, page 6 – Total long-term investments.
[13] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Inventory; Annual Report 2025, page 6, Notes 4 and 5 – Total inventories.
[14] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Accounts receivable; Annual Report 2025, page 6, Notes 6 and 7 – calculated as an aggregation of Trade receivables and Other receivables.
[15] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Cash; Annual Report 2025, page 6, Note 8 – Cash.
[16] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Other current assets; Annual Report 2025, page 6 – calculated based on Deferred expenses.
[17] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Total Current Assets; Annual Report 2025, page 6 – Total current assets.
[18] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Total Assets; Annual Report 2025, page 6 – Total assets.
[19] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Share Capital; Annual Report 2025, page 7, Note 9 – Share or equity capital (share capital).
[20] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Retained Earnings; Annual Report 2025, page 7 – Retained earnings or uncovered loss of previous years.
[21] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – This year's earnings; Annual Report 2025, page 7 – Profit or loss for the reporting year.
[22] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Total Equity; Annual Report 2025, page 7 – Total shareholders' equity.
[23] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Long-term loans; Annual Report 2025, page 7, Note 10 – Other loans (long-term).
[24] Source: Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Accounts payable; Annual Report 2025, page 7 – Accounts payable to suppliers and contractors.
[25] Source: Annual Report 2025, page 7, Note 13 – Accounts payable to affiliated companies.
[26] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Short-term loans; Annual Report 2025, page 7, Note 11 – Other loans (short-term).

Other short-term liabilities[27]	23,887	354,683	183,081
Total Liabilities[28]	**51,053,495**	**35,468,910**	**7,834,940**
TOTAL EQUITY AND LIABILITIES[29]	**54,761,471**	**38,510,709**	**9,314,122**

The Issuer's cash flow statement

EUR	31/12/2025 (Audited)	31.12.2024 (Audited)
Net cash flow from principal activities[30]	(32,593,104)	(2,947,742)
Net cash flow from investment activities[31]	-	-
Net cash flow from financing activities[32]	29,850,810	2,758,256
Net cash flow for the reporting year[33]	113,797	(189,487)
Cash and cash equivalents at the beginning of the reporting year[34]	9,611	199,098
Cash and cash equivalents at the end of the reporting year[35]	**123,408**	**9,611**

[27] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Other short-term liabilities; Annual Report 2025, page 7, Notes 14, 15 and 16 – calculated as an aggregation of Taxes and mandatory State social insurance contributions, Other accounts payable and Accrued liabilities.
[28] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Total Liabilities; Annual Report 2025, page 7 – Total accounts payable.
[29] Source: the Issuer's unaudited interim financial information for the six-month period ended 30 June 2026, page 1 – Total Equity and Liabilities; Annual Report 2025, page 7 – Total liabilities.
[30] Source: Annual Report 2025, page 9 – Net cash flow from principal activities.
[31] Source: Annual Report 2025, page 9 – Net cash flow from investment activities.
[32] Source: Annual Report 2025, page 9 – Net cash flow from financing activities.
[33] Source: Annual Report 2025, page 9 – Net cash flow for the reporting year.
[34] Source: Annual Report 2025, page 9 – Balance in cash and cash equivalents at the beginning of the reporting year.
[35] Source: Annual Report 2025, page 9 – Balance in cash and cash equivalents at the end of the reporting year.

13. TAXATION

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

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

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

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

13.1. 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%.

13.2. Taxation of the Noteholders' individuals

Resident individuals

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

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

Interest income received under the Notes by an individual who is a tax resident of Latvia constitutes income from capital which is not a capital gain and is generally subject to Latvian personal income tax at the rate of 25.5%. The tax is generally withheld at the time of payment by the person responsible for withholding tax under Latvian law.

A gain derived by a Latvian resident individual from the disposal of the Notes constitutes income from capital gains and is generally subject to Latvian personal income tax at the rate of 25.5%. The taxable capital gain is generally calculated as the difference between the disposal proceeds and the acquisition value of the Notes, taking into account eligible transaction costs. The individual is generally responsible for declaring the capital gain and paying the relevant tax.

Non-resident individuals

An individual will be considered as a non-resident of Latvia for taxation purposes in all cases unless he/she is a tax resident of Latvia. Interest income from the Notes received by the non-resident individual will subject to personal income tax in Latvia according to the rate set forth by law, which is currently 25.5%. However, if the non-resident is a tax resident in a European Union or European

Economic Area country and has submitted to the Platform (and Platform has accepted) valid self-certification confirming the tax residence in the respective European Union or European Economic Area country, the tax rate applicable in Latvia will be 5%.

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

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

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

The income from the sale of the Notes will be subject to 25.5% tax and the tax would be payable by the individual him/herself if the buyer of the Notes is an individual or legal entity non-resident of Latvia. If the buyer is a legal entity - resident of Latvia, the tax at the rate of 3% will be withheld by the buyer from the remuneration paid.

13.3. Taxation of the Noteholders' legal entities

Resident legal entities

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

Non-resident legal entities

A legal entity would be considered as a non-resident of Latvia for tax purposes in all cases unless it is a tax resident of Latvia. The interest income and capital gains from the sale of the Notes for non-resident legal entities will not be taxable in Latvia (i.e., gross income will be paid), except if the income recipient is located, registered or incorporated in a no-tax or low-tax country (so called “tax havens”; if this is the case - 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.

14. APPLICABLE FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche of Series of the Notes, subject only to the deletion of nonapplicable provisions, is set out below. The completed Final Terms for each Series of the Notes, 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 "Latvijas Meža Attīstības Fonds" ("Issuer")

registration number in Latvia: 40203475516
legal entity identifier: 984500D13C2N42C61F59

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

Terms used herein will be deemed to be as defined in the Base Prospectus dated 20 August 2026 for the purposes of Prospectus Regulation, in respect of the Notes issued by the Issuer. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8(4) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available based on a combination of these Final Terms and the Base Prospectus (as so supplemented). The Base Prospectus (and the supplements, if any) is available for viewing on the Platform (www.debitum.investments) and on the Issuer's website (https://www.lfdf.eu/fund-structure/lfdf-1).

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

PART A – CONTRACTUAL TERMS I

Information concerning the NOTES 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 [...] NOTES. Nominal amount of the NOTES is EUR 0.01 (one cent).
Issue Price	100% of the NOTES nominal amount
Offer Price of 1 (one) Note	[EUR 0.01 (1 cent) or Principal Amount Outstanding of 1 (one) Note]
Minimum subscription	1,000 Notes
Issue Date	[...]
Maturity Date	[...]
Interest Rate	[...]% per annum
Interest Accrual Periods	[...]

Interest Payment Date(s)	[...]
Redemption Date(s)	[...]
[Early redemption at the request of the Noteholder	A Noteholder may request an early redemption of all or part of its Notes[, provided that the request relates to Notes with an aggregate nominal value of at least EUR [...]]. Any such request is only a proposal and is not binding on the Issuer. The Issuer may, in its sole discretion, accept or reject any such request.]
Ranking	Senior Series/Junior Series
Indication of Yield:	[...]% per annum