

SECTION A - INTRODUCTION AND WARNINGS

This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by the investor.

The Notes are not capital protected and there is no minimum redemption amount.

In certain circumstances, the investor could lose the value of the entire investment or part of it.

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

Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, but only where this Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus or where 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 the securities.

You are about to purchase a product that is not simple and may be difficult to understand.

The Securities

Issue of EUR 20,000,000.00 6.25% Water Infrastructure CAN8 Index Linked Notes (ISIN: XS2730218091;) (the "Notes") in the form of interest bearing notes.

The Issuer

The Issuer is fund2sec S.à r.l. having its registered office at 46, Rue des Prés, 5316 Contern, Grand Duchy of Luxembourg, registered with the Luxembourg companies and trade register (*Registre de commerce et des sociétés*) (the "RCS") under number B 265552 and being registered under the Legal Entity Identifier (the "LEI") 52990019F6AXLJ4TPK58.

Competent authority

The updated Base Prospectus has been approved by the Finanzmarktaufsicht Liechtenstein residing in Landstrasse 109, 9490 Vaduz, Principality of Liechtenstein (Telephone number: +423 236 73 73; Fax number: +423 236 72 38; Email: info@fma-li.li).

Date of approval of the updated Base Prospectus: 29 November 2023

SECTION B - KEY INFORMATION ON THE ISSUER

Who is the Issuer of the Securities?

Domicile and legal form, law under which the Issuer operates and country of incorporation

fund2sec S.à r.l. (the "Issuer") (LEI: 52990019F6AXLJ4TPK58) is a private limited liability company (*société à responsabilité limitée*) whose activities are subject to an unregulated securitisation company (*société de titrisation non-réglémentée*) the Securitisation Law, being registered with the RCS under number B265552 and is acting, for the purposes of the issuance of the Notes, in respect of its Compartment 3. The registered office of the Issuer is at 46, Rue des Prés, 5316 Luxembourg, Grand Duchy of Luxembourg and therefore, the Issuer operates under Luxembourg law.

Issuer's principal activities

The Issuer has been established as a special purpose vehicle, whose objects and purposes are primarily the issue and offer of financial instruments in accordance with the provisions of the Securitisation Law and its activities are subject to such law.

Major shareholders, including whether it is directly or indirectly owned or controlled and by whom

The shareholders of the Issuer are (i) fund2seed GmbH, a private limited liability company, having its registered office in Frankenhoehe 40, 55288 Spiesheim, Federal Republic of Germany and registered with the trade register of the local court (*Amtsgericht*) Mainz under HR B.50204, holding 51 % of the share capital of the Issuer and (ii) fair-finance Asset Management Ltd, a private limited liability company, having its registered office in Il Piazzetta A Suite 52, Level 5 Tower Road Sliema, SLM-1607, Republic of Malta and registered with the trade register in Malta under number C82093, holding 49 % of the share capital of the Issuer.

Key managing directors

The key managing directors of the Issuer are members of the board of managers. These are: Nadja KNOTH, Johannes PUHR and Sven ULBRICH.

Statutory auditors

The statutory auditors (*réviseur d'entreprises agréées*) of the Issuer are PricewaterhouseCoopers, having its registered office in 2, Rue Gerhard Mercator, 2182 Luxembourg, Grand Duchy of Luxembourg. PricewaterhouseCoopers is a member of the Luxembourg institute of auditors (*Institut des réviseurs d'entreprises*) (the "PwC").

What is the key financial information regarding the Issuer?

The first financial year of the Issuer starts with the incorporation date and will end on 31 December 2022. The Issuer has already published (i) its first audited financial statements in respect of the period ending on 31 December 2022 and (ii) its unaudited half year accounts 2023 on its website (www.f2s.lu/dokumente).

The table below sets out summary key information extracted from the unaudited half year annual accounts for the period from 01 January 2023 to 30 June 2023:

	30.06.2023	31.12.2022
	EUR	EUR
ASSETS		
A. Subscribed capital unpaid		
I. Subscribed capital not called		
II. subscribed capital called but not paid		
B. Formation expenses	0,00	0,00
C. Fixed Assets	70.094.610,00	0,00
I. Intangible assets		
II. Tangible assets		
III. Financial assets	70.094.610,00	0,00
D. Current Assets	36.530.617,60	9.980,84
I. Stocks		
II. Debtors	1.622,89	585,00
III. Investments		
IV. Cash at bank and in hand	36.529.454,71	9.395,84
E. Prepayments	0,00	0,00
Summe der Aktiva	106.625.227,60	9.980,84
	30.06.2023	31.12.2022
	EUR	EUR
CAPITAL, RESERVES AND LIABILITIES		
A. Capital and reserves	-10.082,63	-84.958,14
I. Subscribed capital	20.000,00	20.000,00
II. Share premium account		
III. Revaluation reserve		
IV. Reserves	0,00	
V. Profit or loss brought forward	-204.958,14	
VI. Profit or loss for the financial year	-28.124,49	-204.958,14
VII. Interim dividends		
VIII Capital investment subsidies		
B. Provisions	40.945,33	40.945,33
C. Creditors	106.697.365,10	53.993,85
1. Bonds becoming due and payable after more than one year	106.627.061,31	
8. \ Other, becoming due and payable within one year	70.303,79	53.993,85
D. Deferred Income		
Total (Capital, Reserves and Liabilities)	106.625.227,60	9.980,84

Nature of any qualifications in the audit reports on the historical financial information.

None

Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

As per 31. December 2022, the audited annual accounts reported a loss, resulting in an over-indebtedness of the Issuer. The shareholders resolved a resolution, to continue the operations despite the financial situation of the Issuer, where the net assets have fallen below half of the share capital. fund2seed GmbH, being major shareholder of the Issuer, has committed to provide additional subordinated debt financing at first request by the Issuer. The going concern is thus granted.

Known trends affecting the Issuer and the industries in which it operates

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

Profit forecast or estimate

There are no profit forecasts or estimates made in the Base Prospectus.

What are the key risks that are specific to the Issuer?

1. The Issuer is a special purpose vehicle.

The Issuer is incorporated in the Grand Duchy of Luxembourg as an unregulated securitisation company (*société de titrisation non réglementée*) within the meaning of the Securitisation Law and its only business is the issuance of Financial Instruments for the purposes of purchasing assets, risks relating to assets generally and/or entering into related derivatives and other transactions within the limits of the Securitisation Law.

The Issuer is not required to be licensed, registered or authorised under any current relevant laws in Luxembourg, and will operate without supervision by any authority in any jurisdiction. Regulatory authorities in one or more jurisdictions may decide, however, that the Issuer is subject to certain laws in that jurisdiction, which could have an adverse impact on the Issuer or the Noteholders.

The Issuer does not have, and will not have, assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into of other obligations from time to time relating to any particular Series.

The Issuer will have no assets with which to make any payments under any series of its Notes. Nor will the Issuer have any assets to meet claims made against it either in respect of a series of Notes or any other claims against it. Investors in the Notes should note that payments under a series of Notes principally rely on the Swap Agreement which value is principally linked to the performance of the applicable Index.

Accordingly, there are risks in investing in the Notes issued by the Issuer which differ from risks in investing in instruments issued by a trading company with substantial assets and/or operations.

2. The Issuer has a Compartment structure pursuant to the Securitisation Law.

The board of managers of the Issuer may establish a separate compartment, each compartment represents a separate and distinct part of the Issuer's estate (*patrimoine*) and may be distinguished by the nature of acquired risks or assets, the terms and conditions of the obligations incurred in relation to the relevant compartment, their reference currency or other distinguishing characteristics. Further, under the Securitisation Law proceeds realized within a compartment for each series are, in principle, available only for distribution to the specified Investors and other creditors relating to such series (each such party, a “**Series Party**” and together, the “**Series Parties**”). The assets of a compartment are in principle, exclusively available to satisfy the rights of Series Parties that have arisen as a result of the constitution, the operation or the liquidation of that compartment in relation to the relevant series.

No person other than the Issuer will be obliged to make payments on or deliveries under the Notes to the investors and none of the Arranger, the Swap Counterparty any of their respective affiliates or any third party assumes any liability or obligation to the investors if the Issuer fails to make a payment due under the Notes. The Notes not guaranteed by any person.

3. Risks relating to multiple Series of the same Compartment outstanding.

Where more than one series of Notes is issued within the same compartment, the amount that is payable by the Issuer to the investors of one series of Notes may be affected by amounts already paid by the Issuer related to a different series of Notes within that compartment. Consequently, a shortfall related to one series of Notes may reduce the amount that is payable in respect of other series of Notes on their respective maturity dates and ultimately lead to a shortfall in the compartment. Investors must be aware that they will not receive information on other series of Notes they have not invested in. This may affect the value of the Notes.

4. No Security interests.

The Issuer has not created any security interest over its assets to secure its obligations in respect of the Notes and no such security interests exist directly for the benefit of the Issuer's creditors or the investors.

5. Reliance on third parties.

The Issuer is party to contracts with a number of third parties who have agreed to perform a number of services in relation to the Notes. If any such third party fails to perform its obligations under any relevant agreement, investors may be adversely affected. No assurance can be given that the creditworthiness of the parties to the transaction documents. This may affect the performance of their respective obligations under the respective transaction documents.

SECTION C - KEY INFORMATION ON THE SECURITIES

What are the main features of the Securities?

Type and security identification number(s)

The Securities are Notes in bearer form, considered to be interest bearing notes, governed by Luxembourg Law and will be uniquely identified by **ISIN**: XS2730218091.

Pursuant to the Base Prospectus, the Issuer may from time to time create Relevant Instruments in the form of Notes or Certificates in accordance with the terms and conditions as set out in the Base Prospectus (the

“**Conditions**”). Notes or Certificates will be issued in series (each a “**Series**”) which may comprise one or more tranches issued on different issue dates. The Notes or Certificates of each tranche of the same Series will all be subject to identical terms, except for the issue dates and/or issue prices of the respective tranches.

Currency, nominal amount/denomination, aggregate nominal amount and term of the Notes

The currency of the Notes will be the Euro (the “**EUR**”).

The nominal amount per Note is EUR 1,000.00.

The Aggregate Nominal Amount of Notes issued is up to EUR 50,000,000.00.

The term of the Notes is from the issue date until the 15 December 2028 subject to adjustment in accordance with the Preceding Business Day Convention, for which purpose the relevant Business Days are Frankfurt, Luxembourg and TARGET Settlement Days.

Rights attached to the Securities

The Notes will give each holder of Notes (a “**Noteholder**”) the right to receive the payment of the Redemption Amount (as set out below) on the Maturity Date as well as the interest payments on the interest payment dates .

Linkage of Redemption Amount to the Index

The payment of the Redemption Amount under the Notes is linked to the performance of the f2i Water Infrastructure CAN8 Index (Price Return) (EUR).

The f2i Water Infrastructure CAN8 Index (Price Return) (EUR) (Index ISIN: DE000A3EYZD5) (the “**Index**”) is designed to represent a basket of (A) bearer bonds/notes and similar debt instruments financing water infrastructure projects (i.e. hydroelectric power, water treatment and water waste plants) in Northern America and (B) a Cash Deposit (together, the “**Index Components**”).

A closing level of the Index, based on the Net Asset Values of the Index Components, for each Calculation Day is calculated by the Index Administrator.

The interest amount payable for the relevant interest period is determines as follows:

The Interest Rate being the greater of either

(i) $\frac{Ind_{tn}}{Ind_{t0}} - 1$

with:

Ind_{tn} being the most recent Index Value in respect of the relevant Swap Interest Payment Date; and

Ind_{t0} being the Index Value on the (initial) Issue Date of the Relevant Instruments; or

(ii) such lower Interest Rate as determined by the collateral manager in its sole and absolute discretion.

The Redemption Amount payable in respect of the Notes is determined as follows:

Unless previously redeemed, exchanged or purchased and cancelled as provided below, each Note will be redeemed on the Maturity Date at a final redemption amount as calculated by the Calculation Agent according to the following formula (the “**Final Redemption Amount**”):

$$CashR_t + N \times Product Formula \times PartF$$

Where:

- **CashR_t** = Cash Reserve standing to the credit of the Relevant Cash Account on the respective Valuation Date;
- **N** = Specified Denomination;
- **PartF** = being calculated in accordance with the following formula:

$$1 - \frac{\sum CashR_{init} + CoIAmount_t}{N}$$

- **CashR_{init}** = the Initial Cash Reserve Amount as specified in the Final Terms of the Notes; and
- **CoIAmount_t** = the amount of Co-Investment Instruments invested on the applicable Valuation Date.

- **Product Formula** being

$$\prod_n \left\{ \frac{Ind_t}{Ind_{t-1}} - CF_t \times DayCF \right\}$$

- **n** = the number of Valuation Dates that have elapsed since the Issue Date;
- **Ind_t** = the Index Closing Level on the Valuation Date;
- **Ind_{t-1}** = the Index Closing Level on the preceding Valuation Date;

- **CFt** = are the Costs and Fees applicable on the Valuation Date; and
- **DayCF** = the relevant Day Count Fraction.

Description of the rights attached to the Securities, including ranking and limitations to those rights

The Notes are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

None of the Series Parties or the Noteholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets.

Description of restrictions on free transferability of the Securities

The distribution of the Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and any Authorised Participant to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any State of the United States and may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act).

Where will the Securities be traded?

Application will be made to admit the Notes to trading on the on the Open Market (*Freiverkehr*) segment of the Hamburg stock exchange.

How is the value of the investment affected by the value of the underlying instrument?

The Notes are linked to the performance of the Index as specified in the relevant Final Terms. In general, as the value of the Index increases or decreases, so will the Redemption Amount payable in respect of such Notes. The Notes shall bear variable interest. The interest payments depend on the performance of the Index. This may result in no interest payments being made to investors during the term.

What are the key risks that are specific to the Securities?

1. No protection of the Notes by a system of deposit guarantees or a compensation scheme.

The Notes are not secured by a system of deposit guarantees or a compensation scheme in Luxembourg or in any other jurisdiction. Therefore, in case of an insolvency of the Issuer, the Noteholders may suffer a total or partial loss of their invested capital.

2. Risk due to Limited recourse and Non-Petition.

The Notes are limited recourse debt obligations of the Issuer. All payment obligations of the Issuer under the Notes constitute obligations exclusively to make payments in an amount limited to the performance of the assets of Compartment 3. The Noteholders agree that they will not, in relation to the Notes, attach or otherwise seize the assets of the Issuer allocated to Compartment 3 or the other compartments of the Issuer or other assets of the Issuer. In particular, no Noteholder shall be entitled to petition or take any other step for the winding-up, the liquidation or the dissolution of Compartment 3 or of the Issuer or any similar insolvency related proceedings. Potential Noteholders should be aware that the Notes do not create any entitlement, proprietary rights or recourse to any Index Component comprising the Index from time to time (and neither the Issuer, nor any other party, is under any obligation to actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any Index Component). Accordingly, in connection with all payments in respect of the Notes, the Noteholders are exposed solely to the credit risk of the issuer and have no recourse to any Index Component.

3. Risk of loss of the entire invested capital in case of negative development of Index value, no capital protection.

Potential investors should be aware that there is no certainty how the price of the Notes would develop over time. The Terms and Conditions do not entitle the Noteholders to the payment of a fixed Redemption Amount. Prospective investors in the Notes should recognise that, in case of negative development of the Index value, the Redemption Amount may be zero. The Notes constitute a risk investment which can lead to a total loss of their investment in the Notes.

4. Market price risk in connection with the Notes.

At the time an investor purchases the Notes, they cannot predict with certainty how the value and market price of the Notes would develop, nor the amount of any (potential) payments in respect of the Notes under the Terms and Conditions. Potential investors should therefore be aware that they are exposed to the risk of losses during the

term of the Notes, because the value and the market price of the Notes could fall below the purchase price paid for the Notes at any time after the purchase of the Notes and not only following an exercise of the Notes.

5. Risks in connection with the secondary market.

The Notes do not have an established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes. Neither the Issuer nor any of its agents will arrange for a market to develop in respect of the Notes.

6. Risk in connection with an early redemption.

The Issuer may decide to redeem early the Notes at the Early Redemption Amount upon the occurrence of certain events (as specified in the Final Terms). This could result in Noteholders receiving an Early Redemption Amount which may be lower than the amount of the initial investment and being redeemed earlier than they had anticipated.

7. Risk in connection with the Index “Benchmarks”.

An Administrator/Index Event may arise if any of the following circumstances occurs or will occur: (1) a benchmark is materially changed or permanently cancelled, or (2) (i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

8. Risk of no payment of interest amounts in case of negative performance of the underlying Index and its components.

As the Notes are interest bearing notes, potential investors should be aware, that in respect of each interest period, they may not be entitled to any interest if such was not accrued in accordance with the provisions of the documentation applicable to the Notes. A further potential risks lays within the fact that the interest payable by the Issuer is determined by reference to an underlying index. In such circumstances where the expected return on the Notes is likely to be reduced the price at which an Noteholder may be able to sell the Notes prior to maturity is likely to be adversely affected. This may result in the Noteholders receiving reduced or no payments under the Notes. Noteholders could realise a partial or total loss of the invested capital.

9. Risk in connection with ESG purposes.

The Notes may not be eligible to use the designation of “European green bond”, “EuGB” or adherent to the International Capital Market Association’s Green Bond Principles issued from time-to-time, as the compliance with the requirements could not be assured. The Issuer is under no obligation to take steps to have any Note become eligible for such designation. Although, the Notes of the Issuer may not seek adherence to any sustainable finance principles nor be intended to be listed on any segment or platform of a stock exchange dedicated to sustainable finance, the Green and/or Social Purpose of the Notes may unintentionally create such perception.

10. Risk in connection with the Calculation Agent.

The terms of the Notes confer on the Calculation Agent certain discretions in making determinations and calculations in relation to, amongst other things, the occurrence of various events. All designations and calculations made by the Calculation Agent in respect of any Notes are conclusive and binding on the Noteholders.

11. Effect of ancillary costs.

Commissions and other transaction costs incurred in connection with the purchase or sale of the Notes may result in charges, particularly in combination with a low order value, which can substantially reduce the redemption amount, if any, payable in respect of the Notes. Further and in addition, the issue price in respect of the Notes may include fees charged by the Issuer, including fees which the Issuer may remit to the Arranger and/or the Initiator. Potential investors should be aware that, if they purchase the Notes at an (inflated) issue price, they may subsequently only be able to sell the Notes at a (lower) market price. Such ancillary costs could result in loss of some or all of the invested capital.

SECTION D - KEY INFORMATION ON THE OFFER TO THE PUBLIC AND/OR ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this Security?

Issue/offer of the Notes

The offer period is expected to commence on the day following the date of the Final Terms and terminate on 29 November 2024 subject to shortening the period (the "Offer Period"). Notes may still be issued after the initial Offer Period.

Offer Price: The Offer Price per Note until 31 December 2023 will be equal to the Issue Price 100.00% plus an agio of up to 5.00% per Note. At all times thereafter, the Offer Price per Note will be adjusted to reflect the market value of the Notes plus an agio of up to 5.00% thereafter.

Issue date and admission to trading

The issue date of the Notes is 05 December 2023 and application will be made to admit the Notes to trading on the on the Open Market (Freiverkehr) segment of the Hamburg stock exchange.

Estimated total expenses of the issue/offer, including estimated expenses charged to the purchaser by the Issuer/offeror

There are no estimated expenses charged to the purchaser by the Issuer and the Distributor(s). The only costs passed on to investors would be the costs covered by the agio.

Who is the offeror and/or the person asking for admission to trading?

The Issuer gives its general written consent that, on or after the Issue Date of the Notes, any financial intermediary in the EEA may subscribe for and purchase Notes from the Issuer for subsequent resale or final placement of the Notes in Liechtenstein and the Federal Republic of Germany. The Issuer's general written consent is only granted for the term of validity of this Base Prospectus. Any person offering, selling or recommending the Notes shall comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any other offering material relating to the Notes.

Why is this Base Prospectus being produced?

Reasons for the issue/offer, estimated net proceeds and use of proceeds

The reason for the issue of the Notes under this Base Prospectus is primarily to finance the general business development of the Issuer. The Issuer intends to make profits with the issue of the Notes.

The estimated net amount of proceeds is EUR 19,950,000.00. The net proceeds will be used to fund (i) any initial payment obligations under the Swap Agreement(s) (if any) in connection with the Notes and (ii) to fund the Relevant Cash Account with the Initial Cash Reserve Amount of about 1.00 per cent. to pay expenses or other amounts in connection with the administration of the Issuer and/or the issue of the Notes.

The Issuer applies an amount equal to the amount funding any initial payment obligations under the Swap Agreement(s) specifically for purposes and activities that promote social purposes.

The Swap Counterparty is a charitable foundation based in the Federal Republic of Germany and is obliged to pay the performance of the Index under the Swap Agreement(s).

Underwriting agreement on a firm commitment basis

The offer of the Notes is not subject to an underwriting agreement on a firm commitment basis.

Material conflicts pertaining to the issue/offer

Save for any fees payable to the Arranger and the Initiator as of the date of this Base Prospectus so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to any issue/offer of the Notes. The Arranger, the Initiator as well as the service providers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer in the ordinary course of business.