

Avanzia Invest S.à r.l.
Société à responsabilité limitée

Annual accounts for the financial year ended 31 December 2023
with the report of the Réviseur d'Entreprises agréé thereon

Address of the registered office:
28, Boulevard F. W. Raiffeisen
L-2411, Luxembourg

R.C.S. Luxembourg: B 257963

Table of Contents

Report of the Réviseur d'Entreprises agréé	2 - 3
Balance sheet	4 - 8
Profit and loss account	9 - 10
Notes to the annual accounts	11 - 20



KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel. +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of
Avanzia Invest S.à r.l.
6 rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the annual accounts of Avanzia Invest S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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



Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

Luxembourg, 28 June 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

Michael Jahke
Partner

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B257963

Matricule : 2021,2457,931

BALANCE SHEET

Financial year from 01 01/01/2023 **to** 02 31/12/2023 (in 03 EUR)

Avanzia Invest S.à r.l.

28 Boulevard F.W. Raiffeisen

L-2411 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	0.00	0.00
I. Subscribed capital not called	1103	0.00	0.00
II. Subscribed capital called but unpaid	1105	0.00	0.00
B. Formation expenses	1107	0.00	0.00
C. Fixed assets	1109	994,586,086.21	517,931,426.21
I. Intangible assets	1111	0.00	0.00
1. Costs of development	1113	0.00	0.00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	0.00	0.00
a) acquired for valuable consideration and need not be shown under C.I.3	1117	0.00	0.00
b) created by the undertaking itself	1119	0.00	0.00
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	0.00	0.00
4. Payments on account and intangible assets under development	1123	0.00	0.00
II. Tangible assets	1125	0.00	0.00
1. Land and buildings	1127	0.00	0.00
2. Plant and machinery	1129	0.00	0.00

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	0.00	0.00
4. Payments on account and tangible assets in the course of construction	1133	0.00	0.00
III. Financial assets	1135 2.2.2; 4	994,586,086.21	517,931,426.21
1. Shares in affiliated undertakings	1137	0.00	0.00
2. Loans to affiliated undertakings	1139	0.00	0.00
3. Participating interests	1141	0.00	0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	0.00	0.00
5. Investments held as fixed assets	1145	0.00	0.00
6. Other loans	1147	994,586,086.21	517,931,426.21
D. Current assets	1151	35,757,682.85	18,735,371.80
I. Stocks	1153	0.00	0.00
1. Raw materials and consumables	1155	0.00	0.00
2. Work in progress	1157	0.00	0.00
3. Finished goods and goods for resale	1159	0.00	0.00
4. Payments on account	1161	0.00	0.00
II. Debtors	1163 2.2.3; 5	22,123,251.88	14,240,731.28
1. Trade debtors	1165	0.00	0.00
a) becoming due and payable within one year	1167	0.00	0.00
b) becoming due and payable after more than one year	1169	0.00	0.00
2. Amounts owed by affiliated undertakings	1171	0.00	0.00
a) becoming due and payable within one year	1173	0.00	0.00
b) becoming due and payable after more than one year	1175	0.00	0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	0.00	0.00
a) becoming due and payable within one year	1179	0.00	0.00
b) becoming due and payable after more than one year	1181	0.00	0.00
4. Other debtors	1183	22,123,251.88	14,240,731.28
a) becoming due and payable within one year	1185	22,123,251.88	14,240,731.28
b) becoming due and payable after more than one year	1187	0.00	0.00

RCSL Nr. : **B257963**

Matricule :

2021,2457,931

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 0.00	190 0.00
1. Shares in affiliated undertakings	1191 _____	191 0.00	192 0.00
2. Own shares	1209 _____	209 0.00	210 0.00
3. Other investments	1195 _____	195 0.00	196 0.00
IV. Cash at bank and in hand	1197 _____	197 13,634,430.97	198 4,494,640.52
E. Prepayments	1199 _____	199 0.00	200 0.00
		201 1,030,343,769.06	202 536,666,798.01
TOTAL (ASSETS)			

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	7	12,000.00	12,000.00
I. Subscribed capital	1301	12,000.00	12,000.00
II. Share premium account	1303	0.00	0.00
III. Revaluation reserve	1305	0.00	0.00
IV. Reserves	1307	0.00	0.00
1. Legal reserve	1309	0.00	0.00
2. Reserve for own shares	1311	0.00	0.00
3. Reserves provided for by the articles of association	1313	0.00	0.00
4. Other reserves, including the fair value reserve	1315	0.00	0.00
a) other available reserves	1429	0.00	0.00
b) other non available reserves	1431	0.00	0.00
V. Profit or loss brought forward	1433	0.00	0.00
VI. Profit or loss for the financial year	1319	-0.00	0.00
VII. Interim dividends	1321	0.00	0.00
VIII. Capital investment subsidies	1323	0.00	0.00
	1325	0.00	0.00
B. Provisions	2.2.4; 3	6,147,305.52	3,293,978.77
1. Provisions for pensions and similar obligations	1331	0.00	0.00
2. Provisions for taxation	1333	0.00	0.00
3. Other provisions	1335	6,147,305.52	3,293,978.77
	1337	0.00	0.00
C. Creditors	2.2.6; 8	1,024,184,463.54	533,360,819.24
1. Debenture loans	1435	1,002,431,559.23	523,845,041.00
a) Convertible loans	1437	0.00	0.00
i) becoming due and payable within one year	1439	0.00	0.00
ii) becoming due and payable after more than one year	1441	0.00	0.00
b) Non convertible loans	1443	1,002,431,559.23	523,845,041.00
i) becoming due and payable within one year	1445	2,420,559.23	694,041.00
ii) becoming due and payable after more than one year	1447	1,000,011,000.00	523,151,000.00
2. Amounts owed to credit institutions	1449	0.00	0.00
a) becoming due and payable within one year	1355	0.00	0.00
b) becoming due and payable after more than one year	1357	0.00	0.00
	1359	0.00	0.00

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B257963

Matricule : 2021,2457,931

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	0.00	0.00
a) becoming due and payable within one year	1363	0.00	0.00
b) becoming due and payable after more than one year	1365	0.00	0.00
4. Trade creditors	1367	46,916.75	35,587.99
a) becoming due and payable within one year	1369	46,916.75	35,587.99
b) becoming due and payable after more than one year	1371	0.00	0.00
5. Bills of exchange payable	1373	0.00	0.00
a) becoming due and payable within one year	1375	0.00	0.00
b) becoming due and payable after more than one year	1377	0.00	0.00
6. Amounts owed to affiliated undertakings	1379	0.00	0.00
a) becoming due and payable within one year	1381	0.00	0.00
b) becoming due and payable after more than one year	1383	0.00	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	0.00	0.00
a) becoming due and payable within one year	1387	0.00	0.00
b) becoming due and payable after more than one year	1389	0.00	0.00
8. Other creditors	1451	21,705,987.56	9,480,190.25
a) Tax authorities	1393	1,959.90	0.00
b) Social security authorities	1395	0.00	0.00
c) Other creditors	1397	21,704,027.66	9,480,190.25
i) becoming due and payable within one year	1399	21,704,027.66	9,480,190.25
ii) becoming due and payable after more than one year	1401	0.00	0.00
D. Deferred income	1403	0.00	0.00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	1,030,343,769.06	536,666,798.01

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

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PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2023 **to** 02 31/12/2023 (in 03 EUR)

Avanzia Invest S.à r.l.

28 Boulevard F.W. Raiffeisen

L-2411 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701	0.00	0.00
2. Variation in stocks of finished goods and in work in progress	1703	0.00	0.00
3. Work performed by the undertaking for its own purposes and capitalised	1705	0.00	0.00
4. Other operating income	1713	19,830.86	0.00
5. Raw materials and consumables and other external expenses	1671	-13,896,742.27	-14,888,047.74
a) Raw materials and consumables	1601	0.00	0.00
b) Other external expenses	1603	-13,896,742.27	-14,888,047.74
6. Staff costs	1605	0.00	0.00
a) Wages and salaries	1607	0.00	0.00
b) Social security costs	1609	0.00	0.00
i) relating to pensions	1653	0.00	0.00
ii) other social security costs	1655	0.00	0.00
c) Other staff costs	1613	0.00	0.00
7. Value adjustments	1657	0.00	0.00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	0.00	0.00
b) in respect of current assets	1661	0.00	0.00
8. Other operating expenses	1621	-93,673,106.67	-102,600,128.93

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	0.00	0.00
a) derived from affiliated undertakings	1717	0.00	0.00
b) other income from participating interests	1719	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets	1721	132,728,732.74	125,505,699.63
a) derived from affiliated undertakings	1723	0.00	0.00
b) other income not included under a)	1725	132,728,732.74	125,505,699.63
11. Other interest receivable and similar income	1727	1,156.00	3,367.36
a) derived from affiliated undertakings	1729	0.00	0.00
b) other interest and similar income	1731	1,156.00	3,367.36
12. Share of profit or loss of undertakings accounted for under the equity method	1663	0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	0.00	0.00
14. Interest payable and similar expenses	1627	-25,174,942.96	-8,016,075.32
a) concerning affiliated undertakings	1629	0.00	0.00
b) other interest and similar expenses	1631	-25,174,942.96	-8,016,075.32
15. Tax on profit or loss	1635	-770.40	-80.25
16. Profit or loss after taxation	1667	4,157.30	4,734.75
17. Other taxes not shown under items 1 to 16	1637	-4,157.30	-4,734.75
18. Profit or loss for the financial year	1669	0.00	0.00

Advanzia Invest S.à r.l.

Société à responsabilité limitée

Notes to the annual accounts

for the financial year ended 31 December 2023

1 General Information

Advanzia Invest S.à r.l. (hereinafter the "Company") was incorporated on 27 July 2021 and is organised under the laws of Luxembourg as a " Private limited liability company (Société à responsabilité limitée)" for an unlimited period and is subject to the Law of 22 March 2004 on securitisation (the "Securitisation Act") as well as to the law of 15 August 1915.

The registered office of the Company is established at 6, Rue Eugene Ruppert, L-2453 Luxembourg. The Company is registered with the Trade and Companies Register of Luxembourg under number B 257963.

On 14 February 2024, the Board of Managers (the "Board") approved the change of the registered address of the Company from 6 rue Eugène Rupert, L-2453, Luxembourg to 28 Boulevard F.W. Raiffeisen, L-2411, Luxembourg with effect from April 30, 2024.

The Company's financial year starts on 1 January and ends on 31 December of each year. Exceptionally, the first financial period began on 27 July 2021 (date of incorporation) and ended on 31 December 2022.

The main activities of the Company are

a). The corporate objects of the Company are to enter into, perform and serve as a vehicle for, any securitisation transactions as permitted under the Securitisation Act 2004.

b). The Company may, within the limits of the Securitisation Act 2004, proceed, so far as they relate to securitisation transactions, to:

i). the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies;

ii). the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities), structured products relating to commodities or assets (including debt or equity securities of any kind), receivables of any kind, claims or loans or other credit facilities (and the agreements or contracts relating thereto) as well as all other type of assets (including any movable or immovable and tangible or intangible assets); and

iii). the ownership, administration, development and management of a portfolio of assets in accordance with the provisions of the relevant issue documentation.

c). The Company may, within the limits of the Securitisation Act 2004 and for as long as it is necessary to facilitate the performance of its corporate objects, borrow in any form and enter into any type of loan agreement. It may issue notes, bonds (including exchangeable or convertible securities and securities linked to an index or a basket of indices or shares), debentures, certificates, shares, beneficiary shares or parts, warrants and any kind of debt or equity securities or, to the extent permitted by the Securitisation Act 2004, any other types of financial instruments, including under one or more issue programmes. The Company may lend funds including the proceeds of any borrowings and/or issues of securities, within the limits of the Securitisation Act 2004 and provided such lending or such borrowing relates to securitisation transactions, to its subsidiaries, affiliated companies or to any other company.

d). The Company may, within the limits of the Securitisation Act 2004, give guarantees and grant security over its assets.

e). The Company may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions for as long as such agreements and transactions are necessary to facilitate the performance of the Company's corporate objects.

f). In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objects to the largest extent permitted under the Securitisation Act 2004.

In accordance with the legal provisions in Title II of the amended Law of 19 December 2002, these annual accounts are presented on a non-consolidated basis for the approval of the sole shareholder during the Annual General Meeting.

In accordance with the Company's articles of incorporation, the Board of Managers is authorised to create one or more compartments, each corresponding to a distinct part of the Company's assets or liabilities. On 13 October 2021 the Company created its first compartment - Compartment 1. As at 31 December 2023, the Company has 2 compartments.

Avanzia Invest S.à r.l.

Société à responsabilité limitée

Notes to the annual accounts (continued)

for the financial year ended 31 December 2023

2 Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements on a going concern basis and under the historical cost convention.

The accounting methods and valuation rules are determined and applied by the Board of Managers, in addition to those imposed by the amended Law of 19 December 2002.

The preparation of the annual accounts requires the use of certain indispensable accounting estimates. It also requires that the Board of Managers should exercise their judgement in the process of applying the accounting methods. Any changes in the assumptions made can have a significant impact on the annual accounts for the period during which the hypotheses were altered. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore faithfully reflect the financial situation and the financial results.

The Company makes estimates and assumptions that have an impact on the amounts carried forward for assets and liabilities in the course of the following accounting year. The said estimates and judgements are continually evaluated and are based on historical experience and other factors, including forecasts of future events that are considered reasonable in the circumstances.

The books and records are maintained in EUR and the annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

The Company has prepared the annual accounts by combining all compartments figures and shown each figure by compartment.

2.2 Accounting policies and valuation rules

The main accounting and valuation rules applied by the Company are the following:

2.2.1 Foreign currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Fixed assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these items remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the financial year.

Other assets and liabilities are valued individually at the lower and the higher respectively, of their value at the historical exchange rate or their value determined at the exchange rates prevailing at the balance sheet date. Realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation. Only unrealised exchange losses are recorded in the profit and loss account.

2 Summary of significant accounting policies (continued)

2.2 Accounting policies and valuation rules (continued)

2.2.1 Foreign currency translation (continued)

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

2.2.2 Financial assets

Receivables (Other loans) are valued at purchase price/nominal value including the expenses incidental thereto.

In the case of a durable depreciation in their value in the opinion of the Board of Managers, the value of financial assets is adjusted such that they are valued at the lower figure to be attributed to them on the balance sheet date. Such value adjustments will not be continued if the reasons giving rise to them have ceased to apply.

2.2.3 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. Such value adjustments will not be continued if the reasons giving rise to them have ceased to apply.

2.2.4 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

Provisions can also be set up to cover charges that arise in the course of the financial year under review or in the course of a previous financial year. These are charges whose nature is clearly defined and which, on the balance sheet date, are either likely or certain to be incurred but are subject to uncertainty as regards the amount they represent or the date on which they will arise.

Current tax provisions

Provisions for taxation, corresponding to the tax liability estimated by the Company for the financial year, are recorded under the caption "Other creditors". Advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

2.2.5 Prepayments

This asset item includes expenditure incurred during the accounting period that relates to a subsequent accounting period.

2.2.6 Creditors

Creditors are recorded at their reimbursement value.

2.2.7 Equalisation provision

Reimbursement value of each note issued is evolving with each note's related assets book value and each note's related assets repayments, adjusted for profit and loss amounts.

Due to the limited nature of the securities issued, losses during the year as a result from sales, default, lower market values or cost may cause a partial reduction on the notes issued. Such shortfalls will be borne by the Noteholders. Consequently, a provision for value diminution will be made and deducted from the amount repayable of the notes issued and booked in the profit and loss account as "Equalisation provision" in the caption "other operating income".

Increase in reimbursement value is recorded in the profit and loss account as an "Equalisation provision" in the caption "other operating expenses".

3 Provisions

This reflects provision for non eligible receivables amounting to EUR 6,147,305.52 (2022:EUR 3,293,978.77).

4 Financial assets

The movements for the year are as follows:

	31/12/2023	31/12/2022
	EUR	EUR
Gross book value-opening balance	517,931,426.21	-
Additions for the financial year	2,140,390,140.31	2,036,645,963.99
Collections for the financial year	(1,663,735,480.31)	(1,518,714,537.78)
Gross book value-closing balance	994,586,086.21	517,931,426.21
Accumulated value adjustment - opening balance	-	-
Accumulated value adjustment - closing balance	-	-
Net book value-opening balance	517,931,426.21	-
Net book value-closing balance	994,586,086.21	517,931,426.21

Pursuant to the terms of the Receivables Purchase Agreement (the "RPA") dated 8 November 2021, the Company, acting for and on behalf of its Compartment 1, purchases German credit card receivables on a revolving basis from Avanzia Bank S.A. pursuant to the terms of the Servicing Agreement, Avanzia Bank S.A. acts as Servicer to service, collect and administer such credit card receivables on behalf of the Company.

The Company has funded the initial purchase price under the Receivables Purchase Agreement for the initial receivables purchased at closing of the transaction through the issuance of the initial Notes amounted EUR 477,650,000. The Company may fund each additional purchase price through an increase in the Senior Notes up to the maximum issuance amount, issuance of additional Senior Notes, an increase in the Junior Note through the re-investment of principal collections, as applicable, on each applicable purchase date.

On 10 November 2023, the RPA dated 8 november 2021 was amended due to the upsizing of the German Credit Card Securitisation transaction. In the context of the upsizing, the Senior Notes Facility Limit had increased to EUR 1,000,000,000 and the Junior Facility Limit had increased to EUR 178,200,000 (Please see note 8.1).

During the financial period, the Company had purchased the receivables of EUR 2,140,390,140.31 (2022: EUR 2,036,645,963.99) and received the collections of EUR 1,663,735,480.31 (2022: EUR 1,518,714,537.78). As at 31 December 2023, the balance of Eligible Receivables amounts to EUR 994,586,086.21 (2022: EUR 517,931,426.21).

The Board of Managers has considered no durable depreciation in value of the financial assets. Consequently, no value adjustment was booked during the financial year (2022: nil)

5 Debtors

Debtors are composed of:

	31/12/2023	31/12/2022
	EUR	EUR
<u>Other debtors</u>		
<u>Within one year</u>		
German credit card receivables*	16,619,213.48	9,016,715.14
Avanzia Bank S.A.**	5,418,437.14	5,222,941.14
VAT provision	85,601.26	1,000.00
Advances to tax authorities	-	75.00
Total	22,123,251.88	14,240,731.28

* Interest receivable on credit card receivables.

**Collections amount receivable from Avanzia Bank S.A.

6 Own shares

As at 31 December 2023 and 2022, the Company does not hold any of its own shares.

7 Capital and reserves

6.1 Subscribed capital

The subscribed and fully paid capital amounts to EUR 12,000.00, and is divided into 12,000 shares, having a nominal value of 1.00 each.

6.2 Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve cannot be distributed. As the company has not realized any profits, no legal reserve was set up as at 31 December 2023.

8 Creditors

Creditors are composed of:

	31/12/2023	31/12/2022
	EUR	EUR
<u>After more than one year</u>		
Non-convertible loans (8.1)	1,000,011,000.00	523,151,000.00
<u>Within one year</u>		
Accrued interest on non-convertible loans (8.1)	2,420,559.23	694,041.00
Trade Creditors	46,916.75	35,587.99
Other Creditors (8.2)	21,704,027.66	9,480,190.25
Tax authorities	1,959.90	-
Total	1,024,184,463.54	533,360,819.24

8.1 Non convertible Loan

	31/12/2023	31/12/2022
	EUR	EUR
Senior Notes	849,950,000.00	444,540,000.00
Junior Notes	150,061,000.00	78,611,000.00
Total	1,000,011,000.00	523,151,000.00

Pursuant to note issuance facility agreement dated 8 November 2021, the Company, acting for and on behalf of its Compartment 1, issued three Senior Notes with a maximum issuance amount of EUR 475,000,000, one Junior Note up to an amount of initially EUR 85,600,000 and a Seller Note up to an amount of initially EUR 10,000,00 to fund the purchase price as per the Receivables Purchase Agreement. Subject to the terms of facility agreement, each Noteholder shall from time to time make available advances during the revolving period up to an aggregate principal amount not exceeding its maximum Issuance amount.

Avanzia Invest S.à r.l.*Société à responsabilité limitée*

Notes to the annual accounts (continued)

for the financial year ended 31 December 2023

8 Creditors (continued)**8.1 Non convertible Loan (continued)**

In 2022, ABN AMRO Bank N.V., Bank of America Europe DAC and ING Bank N.V. are the three Senior Noteholders with maximum issuance amount of EUR 158,330,000 each with maturity date of 15 November 2024. The Senior Notes carries an interest rate of the EURIBOR rate for one month EUR deposits plus prior to the end of the revolving period 75 basis points, and, subsequent to the end of the revolving period, plus 100 basis points for the time period of the first four monthly periods after the end of the revolving period, and subsequently 112 basis points until the final maturity date. The Senior Notes interest rate is subject to a floor of zero. Avanzia Bank S.A. holds Junior Notes with maximum issuance amount of EUR 85,600,000 with maturity date of 15 November 2024. Junior Note carries an interest rate of 5 percent per annum.

Pursuant to the amended Note Issuance Facility agreement dated 10 November 2023 in the context of upsizing the German Credit Card Securitisation transaction, the Senior Notes Facility Limit increase to EUR 1,000,000,000 due to the accession to the German Credit Card Securitisation by two new senior notes purchasers, Managed and Enhanced Tap (Magenta) Funding S.T.(acting for and on behalf of its Compartment 2023-53 SAPHIRE) and MUFG Bank Ltd. The maximum issuance amount of each Senior Noteholders is EUR 200,000,000 with the maturity date of 15 May 2026. The Senior Notes carries an interest rate of the EURIBOR rate for one month EUR deposits plus prior to the end of the revolving period 87.5 basis points and subsequent to the end of the revolving period, 120 basis points until the final maturity date.

In the light of the Senior Notes Facility Limit increase, the Junior Note Facility Limit also increased to amount of EUR 178,200,000 with the maturity date of 15 May 2026.

8.2 Other creditors

	31/12/2023	31/12/2022
	EUR	EUR
Subordinated Loan - Avanzia Bank S.A.	13,600,000.00	4,446,000.00
Excess Spread - Payable to Avanzia Bank S.A.	7,108,128.15	3,954,871.47
Servicer fee - Payable to Avanzia Bank S.A.	973,392.05	1,075,544.26
Commitment fee - Payable to Senior Noteholders	22,507.46	3,774.52
Total	21,704,027.66	9,480,190.25

9 Other external expenses

Other external expenses are composed of:

	From To	01/01/2023 31/12/2023	27/07/2021 31/12/2022
		EUR	EUR
Servicer fees		(13,695,978.19)	(14,399,864.75)
Accounting and administrative fees		(106,345.99)	(344,146.27)
Other professional fees		(58,904.40)	(63,855.31)
VAT payable		-	(58,975.26)
Audit fees		(31,440.00)	(13,920.00)
Bank account charges		(4,073.69)	(5,954.69)
Notary fees		-	(1,261.46)
Contributions to professional organisations		-	(70.00)
Total		(13,896,742.27)	(14,888,047.74)

10 Other operating expenses

Other operating expenses are composed of:

	From To	01/01/2023 31/12/2023 EUR	27/07/2021 31/12/2022 EUR
Excess spread		(45,069,854.84)	(57,504,536.70)
Defaulted receivables		(48,603,251.83)	(45,095,592.23)
Total		(93,673,106.67)	(102,600,128.93)

Excess spread means the amount paid to Avanzia Bank S.A. from the available interest distribution amount after payment of items first through eighth of the interest priority of payments or after payment of items first through eighth of the accelerated priority of payments, as applicable.

Defaulted receivables are the receivables purchased but moved from eligible pool to ineligible pool due to default occurred.

11 Income from other investments and loans forming part of the fixed assets

Income from other investments and loans forming part of the fixed assets are composed of:

	From To	01/01/2023 31/12/2023 EUR	27/07/2021 31/12/2022 EUR
Interest income on Credit Card Receivables		132,728,732.74	125,505,699.63
Total		132,728,732.74	125,505,699.63

12 Other interest payable and similar expenses

Other interest payable and similar expenses are composed of:

	From To	01/01/2023 31/12/2023 EUR	27/07/2021 31/12/2022 EUR
Interest on Junior Notes		(4,492,654.88)	(4,265,827.39)
Interest on Senior Notes		(20,281,940.87)	(3,317,968.92)
Interest on Subordinated debt		(286,656.96)	(241,515.71)
Commitment fee		(113,690.25)	(155,658.38)
Interest on bank account		-	(35,104.92)
Total		(25,174,942.96)	(8,016,075.32)

13 Tax expenses

The Company is subject to all taxes applicable to commercial companies in Luxembourg incorporated under the Securitisation Law.

Advanzia Invest S.à r.l.

Société à responsabilité limitée

Notes to the annual accounts (continued)

for the financial year ended 31 December 2023

14 Taxes – Pillar two implication

On 20 December 2023, the Luxembourg Parliament adopted the law implementing the EU directive on ensuring a global minimum level of taxation for Multinational Enterprises groups (MNEs groups) and large-scale domestic groups in the EU (hereafter “Pillar Two”). The new rules will apply for fiscal years starting on or after 31 December 2023.

Pillar two rules apply to MNEs groups and large-scale domestic groups in the EU with a consolidated revenues of EUR 750 million or more in at least two of the last four years. Where the effective tax rate paid by certain group entities is lower than 15%, an additional amount of tax, referred to as “top-up tax” will be added in compensation for the low-taxed entities, to reach a global minimum tax rate of 15%.

The Board has assessed the potential exposure for the Company to Pillar Two and has concluded that Pillar Two does not apply to the Company.

15 Related parties transactions

Advanzia Bank S.A. is considered as related party. There were no other transactions with Advanzia Bank S.A. except those specified within notes 3, 4 and 5, as well as from notes 8 to 12.

16 Advances and loans granted to the members of the management and supervisory board

During the financial year ended 31 December 2023 and 2022, no loan or advance was granted to members of the Board of Managers or other administrative bodies.

17 Off balance sheet financial commitments

The Company has no off balance sheet commitment as at 31 December 2023 and 2022.

18 Staff

The Company did not have any employee during the financial year ended 31 December 2023 and 2022.

19 Subsequent events

There were no material events arising after the considered financial year ending 31 December 2023 which could have an impact on these annual accounts.

Avanzia Invest S.à r.l.*Société à responsabilité limitée*

Notes to the annual accounts (continued)

for the financial year ended 31 December 2023

Note 20: Balance sheet per compartment**Balance sheet as at 31 December 2023****Expressed in Euro**

	Notes	General Compartment	Compartment 1	Total 2023	Total 2022
		31 December 2023 EUR	31 December 2023 EUR	31 December 2023 EUR	31 December 2022 EUR
ASSETS					
A. Subscribed capital unpaid		-	-	-	
I. Subscribed capital not called		-	-	-	
II. Subscribed capital called but unpaid		-	-	-	
C. Fixed assets	4	-	994,586,086.21	994,586,086.21	517,931,426.21
III. Financial assets		-	994,586,086.21	994,586,086.21	517,931,426.21
6. Other loans		-	994,586,086.21	994,586,086.21	517,931,426.21
D. Current assets		12,000.00	35,745,682.85	35,757,682.85	18,735,371.80
II. Debtors	5	4,523.36	22,118,728.52	22,123,251.88	14,240,731.28
1. Trade debtors		-	-	-	-
4. Other debtors		4,523.36	22,118,728.52	22,123,251.88	14,240,731.28
a) becoming due and payable within one year		4,523.36	22,118,728.52	22,123,251.88	14,240,731.28
b) becoming due and payable after more than one year		-	-	-	-
IV. Cash at bank and in hand		7,476.64	13,626,954.33	13,634,430.97	4,494,640.52
E. Prepayments		-	-	-	-
TOTAL (ASSETS)		12,000.00	1,030,331,769.06	1,030,343,769.06	536,666,798.01
CAPITAL, RESERVES AND LIABILITIES					
A. Capital and reserves	7	12,000.00	-	12,000.00	12,000.00
I. Subscribed capital		12,000.00	-	12,000.00	12,000.00
VI. Profit or loss for the financial year		-	-	-	-
B. Provisions	3	-	6,147,305.52	6,147,305.52	3,293,978.77
3. Other Provisions		-	6,147,305.52	6,147,305.52	3,293,978.77
C. Creditors	8	-	1,024,184,463.54	1,024,184,463.54	533,360,819.24
1. Debenture loans		-	1,002,431,559.23	1,002,431,559.23	523,845,041.00
b) Non convertible loans		-	1,002,431,559.23	1,002,431,559.23	523,845,041.00
i) becoming due and payable within one year	8	-	2,420,559.23	2,420,559.23	694,041.00
ii) becoming due and payable after more than one year	8.1	-	1,000,011,000.00	1,000,011,000.00	523,151,000.00
4. Trade creditors		-	46,916.75	46,916.75	35,587.99
a) becoming due and payable within one year		-	46,916.75	46,916.75	35,587.99
b) becoming due and payable after more than one year		-	-	-	-
8. Other creditors		-	21,705,987.56	21,705,987.56	9,480,190.25
a) Tax authorities	8	-	1,959.90	1,959.90	-
c) Other creditors	8.2	-	21,704,027.66	21,704,027.66	9,480,190.25
i) becoming due and payable within one year		-	21,704,027.66	21,704,027.66	9,480,190.25
ii) becoming due and payable after more than one year		-	-	-	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		12,000.00	1,030,331,769.06	1,030,343,769.06	536,666,798.01

Advanzia Invest S.à r.l.*Société à responsabilité limitée*

Notes to the annual accounts (continued)

for the financial year ended 31 December 2023

Note 21: Profit and loss account per compartment**Profit and Loss Account for the financial year 01 January 2023 to 31 December 2023**
Expressed in EUR

	Notes	General Compartment	Compartment 1	Total 2023	Total 2022
	From To	01/01/2023 31/12/2023 EUR	01/01/2023 31/12/2023 EUR	01/01/2023 31/12/2023 EUR	27/07/2021 31/12/2022 EUR
4. Other operating income		-	19,830.86	19,830.86	-
5. Raw materials and consumables and other external expenses	9	(1,156.00)	(13,895,586.27)	(13,896,742.27)	(14,888,047.74)
a) Raw materials and consumables		-	-	-	-
b) Other external expenses		(1,156.00)	(13,895,586.27)	(13,896,742.27)	(14,888,047.74)
8. Other operating expenses	10	-	(93,673,106.67)	(93,673,106.67)	(102,600,128.93)
10. Income from other investments and loans forming part of the fixed assets	11	-	132,728,732.74	132,728,732.74	125,505,699.63
a) derived from affiliated undertakings		-	-	-	-
b) other income not included under a)		-	132,728,732.74	132,728,732.74	125,505,699.63
11. Other interest receivable and similar income		1,156.00	-	1,156.00	3,367.36
a) derived from affiliated undertakings		-	-	-	-
b) other interest and similar income		1,156.00	-	1,156.00	3,367.36
14. Interest payable and similar expenses	12	-	(25,174,942.96)	(25,174,942.96)	(8,016,075.20)
a) concerning affiliated undertakings		-	-	-	-
b) other interest and similar expenses		-	(25,174,942.96)	(25,174,942.96)	(8,016,075.32)
15. Tax on profit or loss	13; 14	-	(770.40)	(770.40)	(80.25)
16. Profit or loss after taxation		-	4,157.30	4,157.30	4,734.75
17. Other taxes not shown under items 1 to 16	13; 14	-	(4,157.30)	(4,157.30)	(4,734.75)
18. Profit or loss for the financial year		-	-	-	-